FEDERAL REGISTER

VOLUME 24 NUMBER 132

Washington, Wednesday, July 8, 1959

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Federal Civil Defense Administration; Office of Civil and Defense Mobilization

§ 6.123 [Amendment]

1. Effective August 7, 1959, paragraph (d) of § 6.123 is revoked.

2. Effective upon publication in the FEDERAL REGISTER, paragraph (c) is added to § 6.163 as set out below.

§ 6.163 Office of Civil and Defense Mobilization.

* * * * *

(c) The Director and Deputy Director, Labor Participation Office, Office of National Organizations and Civic Affairs.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] WM. C. HULL,
Executive Assistant.

[F.R. Doc. 59-5633; Filed, July 7, 1959; 8:49 a.m.]

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Housing and Home Finance Agency

Effective upon publication in the FEDERAL REGISTER, subparagraphs (3), (5) and (21) of § 6.342 are amended and a new subparagraph (22) is added as set out below.

§ 6.342 Housing and Home Finance Agency.

(a) *Office of the Administrator.* * * *

(3) One Assistant Administrator (Program Policy).

* * * * *

(5) One Assistant Administrator (International Housing).

* * * * *

(21) Assistant Commissioner for Technical Standards, Urban Renewal Administration.

(22) One Secretary to the Assistant Administrator (Program Policy).

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] WM. C. HULL,
Executive Assistant.

[F.R. Doc. 59-5634; Filed, July 7, 1959; 8:49 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

[Reg. Docket No. 50, Amdt. 20-9]

PART 20—PILOT AND INSTRUCTOR CERTIFICATES

Clarification of Private Pilot Experience Requirements for Issuance of an Instrument Rating

Section 20.127(a) sets forth the aeronautical experience which an applicant must meet in order to acquire an instrument rating. As one of the requirements, it is specified that the applicant must hold either a commercial or private pilot certificate and meet the aeronautical experience requirements for the issuance of a commercial pilot certificate. As part of the aeronautical experience for a commercial pilot certificate § 20.44(c) requires the applicant to secure 10 hours of dual instruction in preparation for the commercial flight test. To require such dual instruction to be made applicable to private pilots seeking instrument ratings is unduly burdensome and has no direct bearing on either the preparation or demonstration of proficiency required for an instrument rating.

It further appears that paragraph (d) of § 20.44, which provides for 10 hours of instrument flight experience, is a prerequisite to fulfilling minimum requirements of ICAO for issuance of a commercial pilot certificate. Since this provision is unrelated to the acquisition by

(Continued on p. 5487)

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FEDERAL REGISTER

Published daily, except Sundays, Mondays, and days following official Federal holidays, by the Office of the Federal Register, National Archives and Records Service, General Services Administration, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U.S.C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President. Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

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CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

A Cumulative Codification Guide covering the current month appears at the end of each issue beginning with the second issue of the month.

CODIFICATION GUIDE—Con.

a private pilot of an instrument rating, there is no need to include the requirements of this paragraph as a part of the aeronautical experience requirements that must be met by the private pilot to obtain an instrument rating.

Therefore, in order to clarify the intent of § 20.127(a), it is necessary to amend the provisions of that paragraph to provide that an applicant for an instrument rating who is the holder of a private pilot certificate is not required to meet the areonautical experience requirements for a commercial pilot certificate specified in § 20.44 (c) and (d).

Since this amendment imposes no additional burden on any person, notice and public procedure hereon are unnecessary, and it may be made effective in less than 30 days.

In consideration of the foregoing, Part 20 of the Civil Air Regulations (14 CFR Part 20) is hereby amended as follows:

By amending paragraph (a) of § 20.127 to read:

§ 20.127 Aeronautical experience.

* * * * *

(a) He shall hold (1) a commercial pilot certificate, or (2) a private pilot certificate and meet the aeronautical experience requirements of § 20.44 (a) and (b); and

This amendment shall become effective upon its publication in the FEDERAL REGISTER.

(Secs. 313(a), 601, 602, 608-610, 72 Stat. 754, 775, 776, 779-780; 49 U.S.C. 1354, 1421, 1422, 1428-1430)

Issued in Washington, D.C., on July 1, 1959.

JAMES T. PYLE,
Acting Administrator.

[F.R. Doc. 59-5610; Filed, July 7, 1959; 8:45 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 7020 o.]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

Firestone Tire & Rubber Co.

Subpart—*Advertising falsely or misleadingly:* § 13.175 *Quality of product or service;* § 13.205 *Scientific or other relevant facts.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, The Firestone Tire & Rubber Company, Akron, Ohio, Docket 7020, June 9, 1959]

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a tire manufacturer with headquarters in Akron, Ohio, with advertising falsely that its second-line tires were used by manufacturers of motor vehicles as original equipment.

The hearing examiner's initial decision and order to cease and desist were on June 9 adopted by the Commission as its own decision following denial of appeal therefrom by complaint counsel. A charge that respondent's tire names were deceptive was dismissed.

The order to cease and desist is as follows:

It is ordered, That respondent, The Firestone Tire & Rubber Company, a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of its motor vehicle tires and tubes, or any other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from: Representing, directly or by implication, that any tire not currently used as original equipment has been used or designed for use as original equipment, without clear and conspicuous disclosure, in close conjunction therewith, of the latest year such tire was actually sold and used as original equipment, the term "original equipment" tires being defined as "the same brand and quality tires used generally as original equipment on new current models of vehicles of domestic manufacture."

It is further ordered, That the complaint, in all other respects, be, and the same hereby is, dismissed without prejudice to the right of the Commission to take such further action against respondent herein as future facts may warrant.

By "Final Order", report of compliance was required as follows:

It is ordered, That respondent, The Firestone Tire & Rubber Company, shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

Issued: June 9, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F.R. Doc. 59-5615; Filed, July 7, 1959; 8:46 a.m.]

[Docket 7084 o.]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

Higbee Co.

Subpart—*Advertising falsely or misleadingly:* § 13.30 *Composition of goods:* Fur Products Labeling Act. Subpart—*Invoicing products falsely:* § 13.1108 *Invoicing products falsely:* Fur Products Labeling Act. Subpart—*Misbranding or mislabeling:* § 13.1212 *Formal regulatory and statutory requirements:* Fur Products Labeling Act. Subpart—*Neglecting, unfairly or deceptively, to make material disclosure:* § 13.1845 *Composition:* Fur Products Labeling Act; § 13.1852 *Formal regulatory and statutory requirements:* Fur Products Labeling Act; § 13.1865 *Manufacture or preparation:* Fur Products Labeling Act; § 13.1886 *Quality, grade or type of product.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 179; 15 U.S.C. 45, 69f) [Cease and desist order, The Higbee Company, Cleveland, Ohio, Docket 7084, June 9, 1959]

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a furrier in Cleveland, Ohio, with violating the Fur Products Labeling Act by failing to comply with labeling and invoicing requirements, and by advertising which failed to disclose the names of animals producing the fur in some products, or that other products were made of artificially colored or cheap or waste fur, and which contained the name of an animal other than that producing certain furs.

After the usual hearings, the hearing examiner made his initial decision and order to cease and desist which, after modification of the findings by the Commission, on June 9 became the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That the respondent, The Higbee Company, a corporation, and its officers, and the respondent's representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, offering for sale, transportation or distribution of fur products, in commerce, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Failing to affix labels to fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the rules and regulations;

(b) That the fur product contains or is composed of used fur, when such is the fact;

(c) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) The name, or other indentification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale, or transported or distributed it in commerce;

(f) The name of the country of origin of any imported furs used in the fur product.

2. Setting forth on labels attached to fur products:

(a) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder in abbreviated form;

(b) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder mingled with non-required information;

(c) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder in handwriting.

3. Failing to set forth on labels attached to fur products all of the information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder on one side of such labels.

4. Failing to set forth separately on labels attached to fur products composed of two or more sections containing different animal furs the information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder with respect to each section.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices to purchasers of fur products showing:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product as set forth in the Fur Products Name Guide and as prescribed under the rules and regulations;

(b) That the fur product contains or is composed of used fur, when such is the fact;

(c) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) The name and address of the person issuing such invoice:

(f) The name of the country of origin of any imported furs contained in a fur product.

2. Setting forth on invoices pertaining to fur products information required under section 5(b)(1) of the Fur Products Labeling Act and the rules and regulations thereunder in abbreviated form.

C. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice, which is intended to aid, promote or assist, directly or indirectly, in the sale or offering for sale of fur products, and which:

1. Fails to disclose:

(a) The name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide, and as prescribed under the rules and regulations;

(b) That the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

2. Contains the name of names of any animal or animals other than the name or names provided for in Paragraph C–1(a) hereof.

It is further ordered, That respondent, The Higbee Company, shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist contained in the initial decision as modified.

Issued: June 9, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 59–5616; Filed, July 7, 1959; 8:46 a.m.]

[Docket 7140 o.]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

Hutchinson Chemical Corp. and Herman S. Hutchinson

Subpart—*Advertising falsely or misleadingly:* § 13.155 *Prices:* Exaggerated as regular and customary; fictitious marking. Subpart—*Misbranding or mislabeling:* § 13.1280 *Price.* Subpart—*Misrepresenting oneself and goods—* Prices: § 13.1805 *Exaggerated as regular and customary;* § 13.1810 *Fictitious marking.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Hutchinson Chemical Corporation et al., Chicago, Ill., Docket 7140, June 11, 1959]

In the Matter of Hutchinson Chemical Corporation, a Corporation, and Herman S. Hutchinson, Individually and as an Officer of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging Chicago distributors of an automobile polish designated "Hutchinson's Waterproof Wax", with representing falsely in television advertising that its product imparted a finish that was both heat- and cold-resistant, and with representing an excessive amount as the usual retail price.

The Commission, granting complaint counsel's appeal from the hearing examiner's initial decision, modified the initial decision and on June 11 adopted it as so modified, as the decision of the Commission. The charge of advertising falsely the heat- and cold-resistant properties of the polish was dismissed for lack of sustaining evidence.

The order to cease and desist is as follows:

It is ordered, That respondents Hutchinson Chemical Corporation, a corporation, and its officers, and Herman S. Hutchinson, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the sale and distribution of automobile polish or any other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, by any means, that the regular or usual price of such product is any amount which is in excess of the price at which the respondents have usually and customarily sold such product in the recent and regular course of their business.

It is further ordered, That the complaint herein, with respect to all other allegations, be, and the same hereby is, dismissed.

By "Final Order", report of compliance was required as follows:

It is further ordered, That the respondents, Hutchinson Chemical Corporation and Herman S. Hutchinson, shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: June 11, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 59–5617; Filed, July 7, 1959; 8:46 a.m.]

[Docket 6772 o.]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

Silf Skin, Inc., et al.

Subpart—*Advertising falsely or misleadingly:* § 13.130 *Manufacture or preparation.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Silf Skin, Inc., et al., New York, N.Y., Docket 6772, June 9, 1959]

In the Matter of Silf Skin, Inc., a Corporation, and George Lacks and Harold Lacks, Individually and as Officers of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging New York City manufacturers with advertising falsely that their "Silf Skin" girdles were "Full-fashioned" and seamless.

On the basis of the record established in the usual hearings, the hearing examiner made his initial decision and order to cease and desist from which respondents appealed. The Commission, on review, substituted its own order for that in the initial decision and on June 9 adopted the initial decision as thus modified as its own decision.

Said order to cease and desist is as follows:

It is ordered, That respondents Silf Skin, Inc., a corporation, and its officers, and George Lacks and Harold Lacks, individually and as officers of said corporation, and their agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of girdles in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing that said girdles are seamless.

By "Final Order", report of compliance was required as follows:

It is further ordered, That the respondents named herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: June 9, 1959.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 59-5618; Filed, July 7, 1959; 8:47 a.m.]

Title 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

PART 250—GENERAL RULES AND REGULATIONS, PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

Exemption of Small Holding Company Systems; Postponement of Rescission

The Securities and Exchange Commission today announced the postponement from June 30, 1959 to December 31, 1959 of the effective date for the rescission of § 250.9 (Rule 9) promulgated under the Public Utility Holding Company Act of 1935 ("Act"), which rule affords a basis for claiming exemption from all provisions of the Act by small holding company systems.

While considerable progress has been made by these systems in conforming to the requirements of section 3 of the Act, which affords exemptions not based upon size, or in ceasing to be holding companies altogether, a few of such holding companies, by reason of special problems, find it impossible to complete their reorganization programs within the time heretofore provided and have requested this further extension of the exemption afforded by Rule 9.

(Sec. 20, 49 Stat. 833; 15 U.S.C. 79t)

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

JUNE 26, 1959.

[F.R. Doc. 59-5619; Filed, July 7, 1959; 8:47 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 54888]

PART 17—PROTESTS AND REAPPRAISEMENTS

Discontinuance of Notices to Importers of Reappraisement Decisions

For many years, § 17.8(a) of the Customs Regulations has provided that a collector of customs, upon receipt from the United States Customs Court of a notice of a reappraisement decision, shall immediately notify the importer or his agent of any advance over entered value. This provision of the regulations for the giving of notice by a collector of customs is a successor to regulatory provisions in effect when by law an importer had but two official days in which to file notice of dissatisfaction with a reappraisement decision.

Today, simultaneously with the mailing of the notice to a collector of customs, the Customs Court mails a notice directly to the importer of its decision. The importer has 30 days from the date of the filing of the notice with the collector within which to file with the collector of customs an application for review of the court's decision.

During that 30-day period, the invoices and related papers are retained by the Customs Court so that they are available to the court in the event an application for review of its decision is filed. Consequently, without such documents, the collector of customs is most often unable to determine whether the decision of the Customs Court affects the imported merchandise involved by advancing the value over the entered value.

As a result, the collector is unable to give immediate notice to an importer about an advance of value pursuant to the court's decision. It is deemed advisable, therefore, to discontinue the regulatory provision that the collector of customs shall give such notice.

Accordingly, § 17.8 is amended to read as follows:

§ 17.8 Review of reappraisement decision; filing application for.

Any application by or on behalf of the consignee for a review of a reappraisement decision shall be filed with collector in duplicate. Customs Form 4307 may be used for this purpose.

(Sec. 1, 62 Stat. 981; 28 U.S.C. 2636)

(R.S. 161, as amended, 251, secs. 624, 46 Stat. 759; 5 U.S.C. 22, 19 U.S.C. 66, 1624)

Notice of the proposed amendment of § 17.8 of the Customs Regulations was published in the FEDERAL REGISTER on April 9, 1959 (24 F.R. 2741), pursuant to section 4 of the Administrative Procedure Act (5 U.S.C. 1003). No data, views, or arguments were received. The amendment as set forth above is hereby adopted effective 30 days after the date of publication in the FEDERAL REGISTER.

[SEAL] RALPH KELLY, *Commissioner of Customs.*

Approved: June 30, 1959.

A. GILMORE FLUES, *Acting Secretary of the Treasury.*

[F.R. Doc. 59-5631; Filed, July 7, 1959; 8:48 a.m.]

Title 31—MONEY AND FINANCE: TREASURY

Chapter I—Monetary Offices, Department of the Treasury

PART 100—EXCHANGE OF PAPER CURRENCY AND COIN

Miscellaneous Amendments

Part 100, Chapter I, Subtitle B, Title 31, of the Code of Federal Regulations of the United States of America (appearing also as Treasury Department Circular No. 55, Revised), is hereby amended in the following respects:

1. By revising § 100.3 to read as follows:

§ 100.3 Lawfully held coins and currencies in general.

The official agencies of the Treasury Department will continue to exchange lawfully held coins and currencies of the United States, dollar for dollar, for other coins or currencies which may be lawfully acquired and are legal tender for public and private debts. Paper currency of the United States (including national bank notes and Federal Reserve bank notes in process of retirement and Federal Reserve notes) which has been falsely altered and coins altered to render them available for use as other denominations will not be redeemed since such currency and coins are subject to forfeiture under title 18, U.S. Code, section 492. Persons receiving such currency and coins should notify immediately the nearest local office of the Secret Service Division of the Treasury Department and hold the same pending advice from that Division.

2. By revising § 100.9 to read as follows:

§ 100.9 Affidavit forms; totally destroyed paper; discretion of Treasurer of the United States.

Blank forms for affidavits will be furnished upon request by the Currency Redemption Division, Office of the Treasurer of the United States, Washington 25, D.C. No relief is granted on account of currency totally destroyed. The Treasurer of the United States will exercise such discretion under this subpart as

may seem to him needful to protect the United States from fraud.

3. By revising § 100.10 to read as follows:

§ 100.10 Mutilated coin; in general.

Mutilated silver and minor coins are not accepted at their face amount but at their bullion or metal value. Silver coins are mutilated when punched, clipped, plugged, fused together, or when so defaced as to be not readily and clearly identifiable as to genuineness and denomination. Minor coins are mutilated when punched, clipped, plugged, fused together, or so defaced as not to be readily identifiable. Coins containing lead, solder or other substances which will render them unsuitable for coinage metal will not be accepted by the mints. Silver and minor coins that are bent or twisted out of shape, but are readily and clearly identifiable as to genuineness, and coins that have been reduced in weight by natural abrasion only, are not regarded as mutilated, and will be received at face amount.

§§ 100.8, 100.11 [Deletion]

4. By the deletion of §§ 100.8 and 100.11.

(Sec. 1, 49 Stat. 938; 31 U.S.C., 773a)

Dated: July 1, 1959.

[SEAL] JULIAN B. BAIRD,
Acting Secretary of the Treasury.

[F.R. Doc. 59-5632; Filed, July 7, 1959; 8:49 a.m.]

Title 32—NATIONAL DEFENSE

Chapter XIV—The Renegotiation Board

SUBCHAPTER B—RENEGOTIATION BOARD REGULATIONS UNDER THE 1951 ACT

PART 1452—PRIME CONTRACTS AND SUBCONTRACTS WITHIN THE SCOPE OF THE ACT

PART 1453—MANDATORY EXEMPTIONS FROM RENEGOTIATION

Miscellaneous Amendments

1. Section 1452.4 *Subcontracts to perform work or furnish materials* is amended by making the following changes in paragraph (b) thereof:

a. Subparagraph (1) is amended by deleting the first sentence and the second (parenthetical) sentence and inserting in lieu thereof the following: "The term 'subcontract' includes all purchase orders or agreements to perform all or any part of the work or to make or furnish any materials required for the performance of a renegotiable prime contract."

b. Subparagraph (1) is further amended by deleting in subdivision (v) the words "contracts included in subdivisions (i), (ii), (iii), or (iv) of this subparagraph" and inserting in lieu thereof "prime contracts and subcontracts included in subdivisions (i), (ii), (iii), or (iv) of this subparagraph".

c. Subparagraph (2) is amended by deleting the heading and the text through the word "Department" before the colon and inserting in lieu thereof the following:

(2) *Indirect relation to renegotiable business.* The Board has determined that purchase orders or agreements for any of the following materials, when such materials are not to be ultimately delivered to a Department, are so indirectly related to the performance of renegotiable prime contracts and subcontracts as not to constitute subcontracts within the definition contained in section 103(g)(1) of the act.

2. Section 1453.5(b)(8) *General Services Administration* is amended by inserting ", National Aeronautics and Space Administration" after "Atomic Energy Commission".

3. Section 1453.5 *Contracts that do not have a direct and immediate connection with the national defense* is amended by deleting paragraph (f) in its entirety and inserting in lieu thereof the following:

(f) *Procedure for exemption of individual contracts.* Any individual prime contractor who believes that its prime contract is not directly and immediately connected with the national defense may submit its recommendation that such prime contract be determined to be exempt from renegotiation under section 106(a)(6) of the act, through the Department entering into such prime contract.

(Sec. 109, 65 Stat. 22; 50 U.S.C. App. Sup. 1219)

Dated: July 2, 1959.

THOMAS COGGESHALL,
Chairman.

[F.R. Doc. 59-5636; Filed, July 7, 1959; 8:49 a.m.]

Title 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 168—DIRECTORY OF INTERNATIONAL MAIL

Miscellaneous Amendments

Part 168, Directory of International Mail, as published in the FEDERAL REGISTER of March 20, 1959, at pages 2117-2195 as Federal Register document 59-2388, is amended as follows:

I. In § 168.5 *Individual country regulations* make the following changes.

A. In country "Bolivia" as amended by Federal Register document 59-4137, 24 F.R. 3991, under Parcel Post, the item *Observations* is amended as follows:

1. Strike out the second, third and fourth paragraphs as result of the changes in the Bolivian requirements with respect to Consular and Commercial invoices for parcel post packages, and insert in lieu thereof the following:

Consular and commercial invoices are required for parcels valued at $50 or over. Parcels valued under $50 require only commercial invoices, two copies of which will be certified by Bolivian Consulates without charge. Parcels valued under $5 require no invoices.

Consular invoice forms obtained from a Bolivian Consulate must be completed by the sender and submitted with his commercial invoice (6 copies of each) to the Consulate for certification. Two certified copies of each will be returned by the Consulate to the sender, who should send one copy direct to the addressee.

No more than four parcels per month without consular invoices may be received by one addressee in Bolivia.

2. Strike out "Beverly Hills, Calif." and "San Luis Obispo, Calif." in the list of Bolivian consulates, and insert a new consulate "Houston, Texas" in its proper alphabetical order therein.

B. In country "Egypt" under Postal Union Mail, the item *Money orders* is amended, effective July 1, 1959, as result of arrangements for the direct exchange of money orders between the United States and United Arab Republic (Egyptian Territory), so that the item will read:

Money orders. Yes. International form. See § 61.2(d) of this chapter.

C. In country "Guinea (Republic of)" under Postal Union Mail, money order service is discontinued, so that the item *Money orders* is amended to read:

Money orders. No service.

D. In country "Ireland (Eire) (See item 'Great Britain and Northern Ireland' concerning Northern Ireland)" under Postal Union Mail, the item *"Small packets*—Not accepted." is amended to read: *"Small packets*—Accepted."

E. In country "Peru" under Parcel Post, the item *Observations* is amended as follows:

1. Strike out the first paragraph as result of changes in the Peruvian requirements with respect to Consular and Commercial invoices for parcel post packages, and insert in lieu thereof the following:

Each parcel valued at $50 or over must be accompanied by a consular invoice if there is a Peruvian Consulate located at the place of mailing. If there is none, or if the value is under $50, a commercial invoice must be furnished instead. The commercial invoice must be legalized by a Peruvian Consulate or countersigned by a chamber of commerce, or if neither is available it may bear the notarized signatures of two well-known local merchants. The consular or commercial invoice may be either enclosed in the parcel or sent separately to the addressee so as to arrive before the parcel, but the legalization must not be dated later than the day of mailing.

2. Strike out "Washington, D.C." in the list of Peruvian Consulates, and insert the following new consulates in their proper alphabetical order:

Cahuas, P.R.	Rolla, Mo.
Birmingham, Ala.	Salt Lake City, Utah.
Kansas City, Kans.	Tampa, Fla.

F. In country "Yugoslavia" under Parcel Post, the item *Observations* is amended, effective June 14, 1959, as a result of the imposition of import duties on gift parcels, so that the item will read:

Observations. The contents of gift parcels are generally dutiable at high rates. Interested patrons may obtain information as to the rates of duty on specific items by inquiry from the European Division, Bureau of Foreign Commerce, Department of Commerce, Washington 25, D.C. or from any field office of that Department.

Parcels containing merchandise sent for commercial purposes, for which the senders are to receive payment, must be accompanied by the original invoice and the wrappers endorsed to indicate that the original invoice is enclosed.

It shall be recommended to senders that, in order to facilitate customs handling, a signed copy of the invoice be transmitted to the addressees by letter mail, giving notice of the mailing of the parcels.

(R.S. 161, as amended, 396, as amended, 398, as amended; 5 U.S.C. 22, 369, 372)

[SEAL] HERBERT B. WARBURTON, *General Counsel.*

[F.R. Doc. 59-5635; Filed, July 7, 1959; 8:49 a.m.]

Title 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

SUBCHAPTER F—ALASKA COMMERCIAL FISHERIES

PART 104—BRISTOL BAY AREA

Additional Fishing Time; Nushagak District

Basis and purpose. On the basis of good showings of red salmon in the Nushagak district of the Bristol Bay Area, it has been determined that additional limited fishing can be permitted over and above the fishing time provided in § 104.9(a) and the announcement of 294 units of gear registered for fishing in the Nushagak district as of 6 p.m. Friday, June 26, 1959, for the week ending July 4, 1959, as published in the FEDERAL REGISTER of July 2, 1959 (24 F.R. 5394).

The provisions of § 104.9(a) notwithstanding, fishing is permitted in the Nushagak district of Bristol Bay from 9 a.m. to 6 p.m. July 4, 1959.

Since immediate action is necessary to permit this relaxation in the regulations, the above action shall become effective immediately (60 Stat. 237; 5 U.S.C. 1001 et seq.).

(Sec. 1, 43 Stat. 464, as amended; 48 U.S.C. 221)

Dated: July 3, 1959.

A. W. ANDERSON, *Acting Director, Bureau of Commercial Fisheries.*

[F.R. Doc. 59-5681; Filed, July 6, 1959; 4:33 p.m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 925]

[Docket No. AO-226-A6]

MILK IN PUGET SOUND, WASHINGTON, MARKETING AREA

Decision on Proposed Amendments to Tentative Marketing Agreement and to Order

Correction

In F.R. Document 59-5505, appearing in the issue for Thursday, July 2, 1959, at page 5372, make the following change:

On page 5373, column 1, last paragraph after line 9 which begins with the word "sale" insert a new line reading "producer-handlers. It was indicated".

[7 CFR Part 963]

[Docket No. AO-309]

HANDLING OF MILK IN GREAT BASIN MARKETING AREA

Notice of Recommended Decision and Opportunity To File Written Exceptions With Respect to Proposed Marketing Agreement and Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this recommended decision of the Deputy Administrator, Agricultural Marketing Service, United States Department of Agriculture, with respect to a proposed marketing agreement and order regulating the handling of milk in the Great Basin marketing area. Interested parties may file written exceptions to this decision with the Hearing Clerk, United States Department of Agriculture, Washington 25, D.C., not later than the close of business the 15th day after publication of this decision in the FEDERAL REGISTER. The exceptions should be filed in quadruplicate.

Preliminary statement. The hearing on the record of which the proposed marketing agreement and order, as hereinafter set forth, were formulated, was conducted at Salt Lake City, Utah, on October 27-31, and November 3, 1958, pursuant to notice thereof which was issued October 8, 1958 (23 F.R. 7897).

The material issues of record relate to:

1. Whether the handling of milk produced for sale in the proposed marketing area is in the current of interstate commerce, or directly burdens, obstructs, or affects interstate commerce in milk or its products;

2. Whether marketing conditions show the need for the issuance of a milk marketing agreement or order which will tend to effectuate the policy of the Act; and

3. If an order is issued what its provisions should be with respect to:

(a) The scope of regulation;

(b) The classification and allocation of milk;

(c) The determination and level of class prices;

(d) Distribution of proceeds to producers; and

(e) Administrative provisions.

Findings and conclusions—(1) *Character of the commerce.* All milk to be regulated by the proposed marketing agreement and order is in the current of interstate commerce, or directly burdens, obstructs, or affects interstate commerce in milk and its products.

The principal fluid milk processing and distributing plants in the proposed Great Basin marketing area are located in Salt Lake City, Murray, and Ogden, Utah. There are a number of other milk distributing plants located in the most heavily populated areas surrounding Salt Lake City and in some of the outlying parts of the proposed marketing area.

Bottled milk products from handlers located in Salt Lake City, Murray and Ogden, regularly go to out-of-State markets in Wyoming, Idaho, and Nevada. From time to time, bulk milk also has been sold by these Utah handlers to places in Colorado, New Mexico, Nevada, and Arizona.

The supply of milk for the fluid milk sales by these handlers is received largely from dairy farmers in the State of Utah but there are producers in Wyoming and Idaho who furnish part of the supply for these Utah handlers. Some milk is distributed in the marketing area by plants located in Colorado and under the regulation of Federal Order No. 80 for the Western Colorado marketing area. There have been occasional shipments of milk from handlers in the Great Basin marketing area to handlers in the Western Colorado marketing area.

Milk in excess of the fluid sales requirements is received by Great Basin handlers and is manufactured into various dairy products including butter, nonfat dry milk, ice cream, and condensed products which are marketed in the States of Nevada, Idaho, California, New Mexico, Arizona, Colorado, Wyoming, and Montana, as well as in Utah.

(2) *Need for an order.* Market conditions in the Great Basin marketing area show that the issuance of an order to regulate the handling of milk in that marketing area will tend to effectuate the declared policy of the Act.

The largest part of milk produced for sale in the Great Basin marketing area is produced by farmers who are members of three cooperative associations. These associations are the Weber Central Dairy Association which has a plant for proc-

essing and packaging fluid milk products and manufacturing milk products at Ogden, Utah; Hi-Land Dairymen's Association which has a plant at Murray, Utah, equipped for processing and packaging fluid milk products, and also manufacturing facilities; and the Federated Milk Producers Association which does not operate a plant but markets the milk of its members to handlers who use it for fluid distribution, and to plants which manufacture milk products. The members of these three associations, who are the proponents of the order for this area, produce about 85 percent of the milk supply for the marketing area.

Besides the milk distributed in the marketing area by the cooperative associations or by handlers who buy milk from the Federated Milk Producers Association, there is milk distributed also by about 30 other handlers. The distribution systems of these 30 handlers are much less extensive than distribution by the cooperative plants or plants served by the cooperatives.

There is no pooling of milk among handlers in the marketing area except insofar as such pooling is carried out by the Federated Milk Producers Association among the handlers it supplies, and the individual pooling operations of each of the other two cooperative associations. As a result, there is an uneven distribution of the burden of milk in excess of fluid milk sales which must be put into manufacturing uses. Some of the smaller handlers follow the practice of arranging for a regular supply which is close to the volume of their daily fluid milk sales but depend upon other sources, including the cooperative associations, to meet fluctuating requirements due to seasonal changes in milk production and variations in sales. The major part of the reserve for the entire market is carried by the cooperative associations. In recent years dealers who do not obtain their regular supply from the associations have expanded their operations. Some of these handlers indicated that they obtained milk at prices competitive with the blend prices paid by the associations. On this basis, they are able to obtain milk for fluid sales at less than the market average cost. This is particularly pertinent in view of the tendency of these handlers to maintain a regular supply which is short in relation to their fluid sales and to depend on other sources for supplementary milk supplies.

Although there is a general pattern of milk use classification practiced by the cooperative associations, there are significant quantities of milk in the marketing area which are not sold on the basis of uniform prices for each classification. Among handlers who do not obtain their regular supply from the associations there is no precise relationship between utilization and the method of paying their farmers. Among these handlers the payments are made under base and excess plans which do not always reflect the actual utilization in the month for which payment is made but may be adjusted from time to time according to the needs of the handler. Also, in the case of milk produced by association members there is not a strict adherence to a price classification system. Milk used to fill contracts with schools or government installations is, at times, priced differently than other milk for fluid distribution. Adjustments have been made on the price of milk which must be transported long distances to the point of sale.

It would be impossible for a pooling operation to be carried out within the market unless there were a uniform and reliable accounting for milk according to use classification. Such a uniform system of accounting and classification does not exist within the marketing area nor is there any organization in the market which is able to make effective such a system. Although the classification systems within the marketing area are a matter of common knowledge, the absence of an organization or agency to apply such a classification system uniformly and according to accurate accounting methods inevitably results in variations and individual adjustments to meet various competitive situations. As a result of this situation, the milk pricing system within the Great Basin marketing area is being undermined and there is impending further market disorganization.

It is concluded that a Federal milk marketing order is needed in the Great Basin marketing area to implement the declared congressional policy of establishing and maintaining orderly marketing conditions by providing:

(a) A regular and dependable method for determining prices to producers at levels contemplated under the Agricultural Marketing Agreement Act, as amended;

(b) The establishment of uniform prices to handlers for milk received from producers according to a classified price plan based upon the utilization made of the milk;

(c) An impartial audit of handlers' records of receipts and utilization to further insure uniform prices for milk purchased;

(d) A means for insuring accurate weights and tests of milk;

(e) Uniform returns to producers supplying the market, and an equitable sharing by all producers of the lower returns for sale of reserve milk; and

(f) Market-wide information on receipts, sales and other data relating to milk marketing in the area.

(3) *Order provisions*—(a) *Scope of regulation.* The scope of the regulation may be specified by providing appropriate definitions including "marketing area", "handler", "producer", "pool plant", "producer-handler", "producer milk", "other source milk", and such other definitions as are needed to completely describe the incidence of the order regulation.

Marketing area. The marketing area should include the counties of Davis, Morgan, Salt Lake, Tooele, Utah, Wasatch, Weber, Summit, Grand, Daggett, Duchesne, Carbon, Sanpete, Juab, Millard, Sevier, Uintah, and Emery in the State of Utah.

The marketing area herein provided thus includes all the territory requested by the proponent cooperative associations except Box Elder County.

The sanitary requirements applicable to milk produced for fluid distribution throughout the marketing area are patterned according to U.S. Public Health Milk Ordinances and Codes. Sanitary requirements applicable to milk for processing at fluid milk plants located in Salt Lake City, Provo and Ogden are administered by city or county authorities. Sanitary requirements applicable to milk for processing at fluid milk plants located in other parts of the marketing area are administered by the Utah State Board of Agriculture. Milk meeting the sanitary requirements of Salt Lake City, Ogden or Provo inspection moves between these cities under reciprocal arrangement and is acceptable to the State Board of Agriculture for distribution throughout the marketing area herein provided.

According to the census for 1950, the population of the marketing area herein provided was about 593,000. It is estimated that during the period 1950 to 1957, the population in the marketing area as proposed increased by about 22 percent. This would indicate a current population in the marketing area provided for herein of about 725,000. The population of Box Elder County in 1950 was about 20,000.

About two-thirds of the 1950 population of the marketing area was concentrated in the counties of Salt Lake, Utah, Weber, and Davis. Within these counties there are located the five largest distributing handlers which would be regulated under the proposed order. These handlers are estimated to handle about 85 percent or more of the milk produced for the marketing area.

Each of these five handlers serves all of the three counties of Salt Lake, Utah, and Weber. Davis County is between Salt Lake and Weber counties, and is served by four of these handlers.

Distribution routes of handlers in the Salt Lake City locality extend southward along two of the main highways in the State, U.S. Public Highways Nos. 91 and 89. These routes pass through Juab, Millard, Sanpete and Sevier counties. In each of these counties some of the aforementioned five largest handlers with plants located in Salt Lake and Utah counties distribute at least 50 percent of total Class I sales. These handlers also sell milk on routes extending in a southeasterly direction along U.S. Public Highway No. 50 into Carbon, Emery and Grand counties, and easterly along U.S. Public Highway No. 40 into Wasatch, Duchesne and Uintah counties. These handlers sell all, or the majority, of total Class I sales disposed of in each of these counties with the possible exception of Grand County. Some of the milk distributed in Grand County originates at a plant regulated under the Western Colorado Federal milk order (Order No. 80). It is not shown in the record whether the majority of milk distributed in Grand County originates in this plant or in the plants of handlers located in Salt Lake County. In any event, all of the milk distributed in this county originates at plants located in Salt Lake County or Grand Junction, Colorado.

Salt Lake City handlers also sell the majority of the fluid sales in Tooele County.

Handlers with plants located in Salt Lake and Weber counties, which would be regulated plants under the proposed order, distribute all of the Class I milk sold in Morgan, Summit and Daggett counties. Daggett is a relatively sparsely-populated county which proponents requested be included in the marketing area because the Flaming Gorge Dam which is now being built will result in a development of both permanent and tourist population within the county.

Cache County, Utah, was not proposed to be part of the marketing area. In Cache County the principal milk distribution is by the plant of the Cache Valley Dairymen's Association located at Smithfield, Utah. This plant's milk sales are mostly outside the proposed marketing area, but some of its routes extend into Box Elder County, including Brigham City, and as far south as the vicinity of Perry. Present operations of this plant would not qualify it as a pool plant under the proposed order.

In Box Elder County there are sales by seven other handlers, five of whom have their plants in either the Salt Lake City locality or Ogden. The other two handlers have their plants at Tremonton and Brigham City in Box Elder County. These two handlers do not sell milk in any other part of the proposed marketing area.

Sales in Box Elder County by handlers whose plants are in the Salt Lake City locality or in Ogden represent a small percentage of their total sales. There is an overlapping of their distribution with the distribution by the plant at Smithfield. Such overlapping of distribution occurs in Brigham City, which is the principal population center in Box Elder County, as well as at other points in the county. The plant at Smithfield does not distribute in any other part of the proposed marketing area.

A suggestion was made by interested parties including proponents of the order that a specified daily volume of sales in the marketing area by a nonpool plant, such as 2,000 pounds daily, might be exempted from any obligation to the market pool. In the case of the Cache County handler, this would serve to exempt from compensatory payments the present volume of distribution by this plant in Box Elder County. It is questionable, however, whether this type of exemption, which would apply on a general basis to any nonpool plant, would serve the purpose of assuring an orderly, stable market for the Great Basin area.

In view of the foregoing considerations, it appears that regulation of Box Elder County plants is not sufficiently important to justify inclusion of this county in the marketing area. Sales of milk in the minor portion of Box Elder County where there is no distribution by the plant at Smithfield, specifically in that part of the county south of Perry, are not substantial. It is concluded, therefore, that Box Elder County should not be included in the marketing area. All of the other Utah counties proposed should be included in the marketing area.

"Producer", "pool plant" and other definitions. The term "producer" should be defined so as to include dairy farmers who constitute the regular supply on which the marketing area depends for fluid milk. For this purpose the term should distinguish between farmers who meet the sanitary requirements for producing milk for a fluid market and other dairy farmers whose milk is qualified only for use in manufactured dairy products. In this marketing area, milk intended for fluid consumption is required to be produced in compliance with specified health standards. It is not necessary for order purposes that the approval of sanitary practices of producers be given by health authorities in the marketing area, provided that the farmer is approved by a duly constituted health authority which has supervision over the sanitary regulations of milk for fluid use. Approval by Government agencies of milk for fluid consumption at installations under their supervision would also be considered to satisfy the health approval provision.

The qualification of a farmer as a producer for the market would be established by the receipt of his milk at a plant which is substantially supplying the marketing area. (Such plants are hereinafter more definitely described in connection with the term "pool plant".) The term "producer" would also include those dairy farmers whose milk is ordinarily received at a pool plant but which is temporarily diverted either by the plant operator or by a producer cooperative association to a nonpool plant. Such a provision in the "producer" definition is necessary in the interest of efficient handling of milk which serves as a reserve part of the milk supply. Economy in transportation often favors moving such reserve milk to nonpool plants which are closer to the producer's location than is the pool plant to which his milk is ordinarily delivered. Also, a number of the fluid milk plants in the area do not have facilities for manufacturing the reserve milk or do not have adequate facilities therefor. As proposed by producers, there would be no limitation on the number of days a producer could be diverted. Their proposal contemplated also that diversion should be performed only by cooperative associations.

A dairy farmer who retains his status as producer during diversion of his milk to a nonpool plant should have established a definite, substantial connection with the market prior to such diversion. Otherwise, a dairy farmer could be given producer status and receive all the benefits thereof under the order without being an essential part of the market supply. This would not be in the public interest nor would it favor orderly marketing of milk by producers who constitute the regular supply for the market. For this reason it is necessary that the status as a producer during diversion be limited. It is reasonable that it should be limited to the same number of days in a month as the number of days on which the dairy farmer's milk is received at a pool plant. An exception should be made to this in the months of April, May and June because of the seasonal increase in milk production. During the months of April, May and June, a handler (including a cooperative association) should be allowed to divert a producer's milk on any day of the month, provided that the farmer was a producer for an entire month during any one of the three calendar months preceding.

It is not necessary to restrict the diversion function to cooperative associations. Some handlers receive milk from farmers who are not members of an association.

The determination of whether the plant to which the dairy farmer delivers his milk operates substantially as a part of the supply system is one of the bases for distinguishing which farmers are to be considered producers for the market. It is possible that there are, or will be, plants which have only a minor association with the market.

Inasmuch as the method of distributing returns to producers in this market will be on a basis of a market-wide pool (as it is concluded elsewhere in this proceeding) it is appropriate that plants to be regulated as receivers of producer milk be called "pool plants". Such plants may be of two types: those which operate routes on which they distribute milk in the marketing area, and other plants which only ship milk in bulk to distributing plants. Among those plants which distribute milk in the marketing area it is necessary to distinguish between those plants which are primarily in the fluid milk business and those which are not.

A plant which uses less than 50 percent of its receipts of Grade A milk for fluid milk sales is not primarily in the fluid milk business. Such plants are not representative of the type of plant operations upon which this market presently depends, nor is there any need to include such plants in the pooling operation to assure an adequate supply. If they were included in the market-wide pool of milk utilization, the result would be an uneconomic distribution of the money returns intended to assure the market an adequate supply of fluid milk. This would not be in the public interest nor would it promote orderly marketing.

Under the order regulation, plants having only a minor part of their distribution business in the marketing area need not be included in the market pool, but should be subject to regulation which will assure that their operations do not result in inequity among handlers or otherwise constitute a disturbance to the market. Under these conditions it is not necessary to include plants which have less than 10 percent of their route sales in the marketing area. Such plants, too, would be likely to be at a disadvantage if their entire milk handling operations were put under the pricing regulation required of pool plants, since this would affect their competitive position in outside markets.

At the present time all plants supplying the marketing area have most of their route sales in the marketing area. Under the circumstances, 10 percent of

a plant's route sales is a reasonable measure of association with the market to determine whether the plant should be a pool plant.

There is no indication that when an order is established there will be any plants operating as shipping plants supplying the plants distributing in the marketing area. In case such an operation does develop, the order should provide that it will be part of the pool if it meets specified standards. Shipping plants should be pool plants if they ship to distributing pool plants 50 percent of the milk they receive from dairy farmers meeting the inspection requirements described in connection with the definition of "producer" and other receipts qualified for fluid distribution. Shipping plants which so qualify as pool plants during the period of August through January should be allowed to continue in status as pool plants, if they so desire, during the subsequent months of February through July. This will accommodate the economical handling of reserve supplies which normally would be held in shipping plants to a greater extent in the spring and early summer seasons. There is no indication of need to pool plants with less substantial or less regular contribution to market supply.

Certain types of operations which would otherwise qualify as pool plants should be exempt from the pooling provisions of the order. Such exemption should cover plants which would be subject to the pricing and pooling provisions of another Federal order if a larger volume of milk is involved with the other order market than is associated with the Great Basin market. If the plant operates as a distributing plant under both orders, the volume of Class I sales in each market during the month would determine the applicable order, unless it is determined otherwise by the Secretary. In the case of a supply plant, for each of the months of August through January the plant would qualify as a pool plant under this order by reason of shipment to this market of more than 50 percent of the producer milk received or diverted therefrom during the month; and in other months, if the plant ships less than 50 percent, the operator has the option of withdrawing from the pool. In the latter case the order should provide that if the plant qualifies for regulation under another order, the applicable regulation may be determined by the Secretary.

Another example of a kind of plant which should not be a pool plant is the Church Welfare plant at Salt Lake City which is operated by the Mormon Church. This plant bottles milk which is distributed as a donation to needy individuals. It does not compete in sales with plants which would be regulated. This exemption should be provided with respect to any plant which distributes milk only on a donation basis. Inasmuch as the Church Welfare plant would be a nonpool plant if operated as herein described, receipts therefrom at pool plants would be milk from an unregulated source and would be assigned accordingly to the lowest class of utilization. Transfers of bulk milk to a nonpool plant such as the Church Welfare plant should be classified as any other transfer to a nonpool plant according to equivalent use in the nonpool plant as explained in subsequent findings and conclusions.

"Handler" is a term designed to cover all persons operating plants or otherwise having responsibility with respect to the marketing of milk in the area. The handler is the person who receives milk from producers and who is responsible for reporting receipts and utilization of milk and payment therefor. It includes (a) persons operating pool plants, (b) persons operating nonpool plants from which Class I milk is distributed on routes in the marketing area, (c) a cooperative association with respect to member milk diverted to a nonpool plant, and (d) a cooperative association with respect to milk of a member which the association delivers to a pool plant in a tank truck owned and operated by, or under contract to, the association. In the latter case the cooperative association should give prior notice to the market administrator and the plant operator of its intention to be the receiving handler for such milk.

In this market a large part of the milk supply is delivered to pool plants in tank trucks operated by cooperative associations. The weight readings and milk samples for individual producers are taken at the farm by persons responsible to the association. In some instances where milk moves from the farm in bulk tanks, it is delivered to a plant not operated by the association operating the tank truck. The plant operator then has no way of knowing the weights and butterfat tests of milk of individual producers in the load, except as this information is reported to him by the association. There may be difficulty in identifying the milk delivered to the plant with individual producers if a load is split between two plants, or there has been a reloading operation, or a load has been topped-off at a plant. For administrative purposes, many of the problems of accounting for milk will be simplified if the cooperative association is the handler with respect to milk of its members that it moves from the farm in bulk tank trucks. Designation of a cooperative association as the handler on this milk will also assist the association in efficient distribution of the milk supply according to the needs of handlers.

Such a designation of a cooperative association as a handler on bulk tank milk was proposed by the associations. For administrative purposes it is necessary that the market administrator be able to definitely assign the responsibility for the milk, and therefore the cooperative association which intends to be the handler for bulk tank milk should so notify the market administrator. Otherwise the handler at whose pool plant the milk is received will be accountable for it under the order and responsible for payments to producers. It follows that the association should also notify the operator of the pool plant that the association intends to be the handler for the milk.

When a cooperative association is a handler for bulk tank milk delivered to the pool plant of another handler this delivery constitutes an interhandler transfer which would be classified in accordance with the general rule applying to interhandler transfers. A special provision in the order would obligate the handler to pay the association the class prices on the transferred milk. The association, in turn, would be obligated to settle with the market-wide pool (through the producer-settlement fund) with respect to the total value of this milk.

There are some individuals who are handlers and also operate dairy farms. If such an individual operates a plant which receives milk from other dairy farmers and which meets the requirements specified for pool plants, the milk received at such plant will be subject to the pooling requirements including milk received from the individual's own farm.

There are some handlers in this market who produce on their own farms a large part of their milk supply. The order regulation would apply differently to that type of handler who depends substantially on his own farm production for his milk supply. A definition for producer-handler would describe the special kind of milk-handling operation to be covered. Other provisions of the order with respect to reporting, classification and payments would apply in a special manner to such an operation.

A producer-handler would be exempt, with respect to his own farm production, from the pooling requirement which applies to all other handlers who are primarily associated with the market. In view of this exemption it is necessary that the term "producer-handler" cover a restricted type of operation which will not be a disturbance to orderly marketing conditions.

A handler who depends entirely on his own farm production for milk supplies would qualify as a producer-handler. On the other hand, any handler who obtains part of his supply from another person who is a dairy farmer would not qualify as a producer-handler and would be subject to the order requirements with respect to pool plants if his plant met the qualifications of "pool plant", or the requirements with respect to nonpool plants not operated by producer-handlers.

A producer-handler may occasionally find it desirable to obtain supplemental supplies of milk from sources other than his own farm production. This need not disqualify such a handler from producer-handler status, providing appropriate conditions are applied under the order with respect to classification and payments in the case of such supplementary milk supplies. The order should provide that transfers of milk to producer-handlers from handlers who receive producer milk shall be a Class I disposition by the transferring handler. This is appropriate since the normal need of a producer-handler for supplemental supplies is associated with his fluid sales, and such classification is justified in consideration of his exemption from pooling

with respect to his own farm production. This classification requirement will tend to prevent an unequal sharing of the burden of reserve supply for the market as between producer-handlers and producers.

A producer-handler who desires supplemental supplies may also look to sources which are not regulated by this proposed order or another order. If a producer-handler were free to use milk from sources not priced under orders issued pursuant to the Act, this would give him an unjustified cost advantage. Accordingly, the same kind of compensatory payments should be required of producer-handlers with respect to their use of unregulated milk as in the case of other nonpool plants selling Class I milk in this market. In the case of producer-handlers, the compensatory payment would apply to all of their Class I disposition above that met out of supplies from their own farm production and from milk transferred from pool handlers. Milk from plants under other orders where it had been priced as Class I would not be a basis for compensatory payments. Milk received from a producer-handler would fall within the general category hereinafter more specifically described as "other source milk." Thus milk received by a producer-handler from another producer-handler would be subject to the same kind of compensatory payment requirement as in the case of previously-mentioned receipts from unregulated plants.

The application of the order provisions to a producer-handler would be greatly facilitated by the requirement that persons who desire to be treated as producer-handlers under the order make written application to the market administrator prior to the first month in which such person desires to be considered to be a producer-handler. In the absence of such an application, the market administrator would apply the order to the plant in question on the basis of the provisions that do not apply to producer-handlers.

Since the exemption of pooling own-farm production provides an incentive for individuals to attain producer-handler status, it is necessary to preclude certain devices which may be used to circumvent the intent of the order provisions. The milk supply which is to be treated as the own-farm production of the producer-handler should be produced entirely from production resources which are under the complete and exclusive control of the person who is the producer-handler. The processing facilities and the distribution facilities should be similarly under the complete and exclusive control of the same person.

Producer-handlers should be subject to reporting requirements so that the market administrator may be informed as to the continuing status of such individuals as producer-handlers, and as to the amounts of any obligations which such individuals incur under the order provisions.

Custom bottling of milk by a handler for another person who distributes it is a practice in the market. One case was described where a farmer delivers his milk to a plant for bottling and then takes back the bottled milk for distribution on routes he operates. A plant performing such custom bottling need not be distinguished from other plants which bottle (or package) milk only for their own distribution. The farmer who distributes the bottled milk is essentially a vendor or subhandler for milk processed in the handler's plant. Exemption of this type of arrangement from the pricing and pooling requirements would open up a wide range of possible handling operations which would undermine the minimum price and market-wide pooling arrangements which are necessary to establish orderly marketing conditions in this market. The existence of numerous such arrangements outside the market pool could result in one or more substantial pooling operations, separate from the general market pool which it is decided herein should serve as the method of distributing returns to producers who are the supply for the market.

"Producer milk" is a term which may be used to distinguish milk received at pool plants directly from farmers herein defined as producers. Obviously, after milk from producer and nonproducer sources has been mingled together in a plant, the actual milk from producer sources may not be physically distinguishable. At the time of receipt and prior to such mingling with other milk, producer milk may be distinguished as to weight, test and source, and this is the basis for the handler's obligation to producers. Milk received by a cooperative association in its capacity as handler on bulk tank milk would be producer milk as received by the association.

Milk from a producer's farm which is diverted to a nonpool plant pursuant to the producer definition also is producer milk.

Producer-handlers operate nonpool plants and, accordingly, may be the recipients of milk diverted by pool handlers. Such milk would be accounted for by the diverting handler as a diversion and a transfer to a producer-handler and be considered as a Class I disposition.

"Other source milk" is specifically defined so as to distinguish it from producer milk. It includes milk received at a pool plant from nonpool sources and products, other than fluid milk products, from any source which are reprocessed or converted to another product in the plant during the month.

A definition of "fluid milk product" is provided to facilitate reference in the subsequent sections of the order. The fluid milk products are those which constitute Class I use in the market and include milk, chocolate milk, buttermilk, chocolate drink, fluid cream, skim milk, modified skim milk (fortified and reconstituted skim milk), mixtures of milk, skim milk and cream, frozen milk, and concentrated milk.

The term "route" is used to cover a number of types of milk-distributing operations. It includes any delivery, including sales by a vendor or from a plant store, of any fluid milk product except deliveries to other milk-processing plants, either pool plants or nonpool plants.

Classification of milk. All milk and milk products received by a handler should be classified in two classes according to use. Skim milk and butterfat should be classified separately in accordance with their use in Class I and Class II milk.

Skim milk and butterfat are not used in most products in the same proportion as contained in the milk received from producers, and, therefore, should be classified separately according to use. The skim milk and butterfat content of milk products received and disposed of by handlers can be determined through recognized testing procedures. Some products such as fortified skim milk, condensed milk, and concentrated products present an accounting problem in that some of the water contained in the milk used to produce these products has been removed. It is necessary in the case of such products to provide an acceptable means of ascertaining the amount of skim milk and butterfat used to produce them. This can be established through the use of adequate plant records made available to the market administrator for products produced by the handler, or by means of conversion factors for products purchased by the handler. The accounting procedure to be used in the case of any milk product should be based on the pounds of milk or skim milk required to produce such products.

Milk classes. Class I milk should be defined as skim milk and butterfat used in those kinds of milk and milk products disposition which are generally required by health authorities having jurisdiction in the marketing area to be made from milk or milk products obtained from approved Grade A sources. The extra cost of getting quality milk produced and delivered to a market in the condition and quantities required, makes it necessary to provide a price for milk for such uses above the price for ungraded or manufacturing milk price.

Class I butterfat and skim milk should include all butterfat and skim milk contained in any product herein defined as a "fluid milk product", namely, milk, chocolate milk, buttermilk, chocolate drink, fluid cream, skim milk, modified skim milk (fortified and reconstituted skim milk), and mixtures of milk, skim milk and cream. All of these products are required by the health authorities having jurisdiction in the defined marketing area to be made from milk produced on farms approved to supply milk for fluid use. Grade A milk from locally approved farms must be used in the manufacture of nonfat powder which is used to fortify fluid milk products.

The Class I products which contain concentrated skim milk solids such as skim milk drinks and buttermilk to which extra solids are added, or concentrated whole milk disposed of in fresh or frozen form for fluid use, should be included under the Class I definition.

Some handlers proposed a method for classification of fortified, concentrated and reconstituted milk or skim milk, based on a kind of milk equivalent calculated from the relationship of the nonfat solids content of such products to the average nonfat solids content of fluid milk received by the handler. Under

that proposal, the extent to which such an equivalent exceeds the weight of the product would be a quantity assigned to Class II milk. This proposal is not adopted herein because it would not result in a full accounting in Class I of all milk used to produce Class I products.

It is necessary in accounting for Class I sales of fortified, concentrated and reconstituted milk that the order provisions prevent displacement of producer milk from the Class I use for which it is intended. This principle requires that such disposition be accounted for on the basis of milk used to produce such products, which would include all water originally associated with the milk solids used. Fortified, concentrated and reconstituted milk compete for the same outlets as whole fluid milk and fluid skim milk and so, if made from other source milk, could displace producer milk which is available for the same disposition. It is concluded that accounting for skim milk in these Class I products on the basis of volume including all the water originally associated with the solids is necessary to return to producers a value commensurate with the use and availability of their milk for fluid disposition.

Products such as evaporated or condensed milk in bulk, or packaged in hermetically-sealed cans, should not be considered to be concentrated milk, and should not be Class I milk.

Class II milk should include all skim milk and butterfat used to produce any product not specified as Class I. Class II uses shall include, but are not restricted to, butter, cheese, evaporated and condensed milk, and nonfat dry milk. Class II should also include any skim milk which is dumped after prior notification to, and opportunity for verification by, the market administrator; and that skim milk used for livestock feed to the extent that verifiable records of such utilization are maintained by the handler.

Butterfat and skim milk used to produce Class II products should be considered to be disposed of when so used. Handlers will need to maintain stock records of such products, however, to permit audit of their utilization by the market administrator.

Handlers have inventories of milk and milk products at the beginning and end of each month which enter into the accounting for current receipts and utilization. Inventory is intended to include stocks on hand of bulk milk, skim milk, cream, bottled milk, and other items included in the definition of fluid milk products. Manufactured products on hand are not included in the inventory account because the milk used to produce such products will already have been accounted for. Handlers will need to keep records of such products but they will not be included in inventory for the purpose of accounting for current receipts.

There is adopted herein the proposal that closing inventory should be accounted for as Class II milk. Under this system it is necessary to provide a proper method of classifying in the following month the milk in beginning inventory if it is used for Class I disposition.

The method of classifying beginning inventory is subsidiary to the general principle of giving precedence in Class I assignment to producer milk received during the month. The allocation procedure also allows for the assignment of interhandler transfers according to rules provided in the classification provisions. If under the general allocation procedure, part of total Class I milk utilization by the handler is assigned to beginning inventory, an appropriate charge should be made therefor.

Inasmuch as beginning inventory is composed of the same items of fluid milk products which were designated as ending inventory and classified as Class II in the preceding month, a revaluation up to the Class I price should be applied in certain cases where beginning inventory is assigned under allocation procedure to Class I milk. Here again, precedence is given in Class I assignment to receipts of the handler in the prior month from pool sources. The amount to which a reclassification charge would apply would be limited by the amount of receipts from pool sources which in the preceding month were assigned to Class II milk.

If the foregoing procedure does not apply a reclassification charge to all beginning inventory allocated to Class I, it is necessary to determine to what extent in the previous month other source milk became an inventory item, and thus was carried over to beginning inventory available for use as Class I milk. The amount of beginning inventory assigned to Class I milk but not covered by the reclassification charge which applies to pool sources would be subject to compensatory payment, provided that such a charge would not apply to any milk received from a plant regulated by another order where it had been classified under such other order as Class I milk.

Inventories of fluid milk products on hand at a pool plant at the beginning of any month during which such a plant becomes qualified for the first time should likewise be subtracted from the Class II utilization of such plant. This will preserve the priority of assignment of current producer receipts to current Class I use for each month.

Some handlers proposed that the order should provide Class II classification for unaccounted-for skim milk and butterfat (hereinafter referred to in some cases as "shrinkage") limited, however, in the case of producer milk to not more than 2 percent of receipts. The evidence does not show specific or average shrinkage experienced by those fluid milk plants which are subject to regulation. Obviously, however, there would be some loss of butterfat and skim milk in the processing of fluid milk and manufactured products, and the amount of loss would depend largely on the care exercised in handling the milk.

It is appropriate that allowance in Class II classification be made for a reasonable amount of shrinkage in accordance with the various types of handling operations existing in the market. In the absence of specific information for this market as to the amount of actual shrinkage which has been experienced, there is adopted the allowance of up to 2 percent of milk received from producers. This amount of shrinkage allowance is common under Federal orders and official notice is here taken of such a rate of allowance in the orders for the Western Colorado marketing area (Part 980), the Colorado Springs-Pueblo marketing area (Part 994) and the North Texas marketing area (Part 943). Official notice is also taken of the order provisions which allocate shrinkage to various types of milk receipts.

In this market as in the other markets referred to, part of the milk is collected at the farms in tank trucks and other milk is collected in cans. As pointed out in the discussion of the definition of "handler", in the case of milk picked up at the farms in tank trucks the operator of the tank truck is the person who would have the records of the weights and tests of individual producers and ordinarily would be the handler for such milk. Thus a cooperative association which operates tank trucks which it uses to move milk from producers' farms to pool plants would be the receiving handler for such milk. Some part of the shrinkage allowance should be allocated to this part of the handling operation so as to accommodate any differences which may occur between the measurements and tests taken at the farm and the amounts of skim milk and butterfat actually delivered to a pool plant. For this purpose 0.5 percent of the volume of milk received would be allocated to this part of the handling operation as a maximum shrinkage allowance to be classified in Class II, and the other 1.5 percent of the total allowance would be allocated to the pool plant to which the milk is delivered. On the other hand, in the case of milk delivered in cans the plant operator would be the handler and 2 percent would apply as a maximum allowance to the plant where the producer milk is received.

Pool plants may also receive milk in tank trucks from pool plants of other handlers. In this case, also, the total maximum allowance of 2 percent would be allocated at the rate of 1.5 percent to the plant where received, leaving the other 0.5 percent for the shipping plant. This system of applying shrinkage allowances recognizes that relatively little shrinkage occurs during the receiving part of milk handling and more in processing, bottling and distribution.

No shrinkage allowance should apply in the case of producer milk diverted to nonpool plants inasmuch as the operations of nonpool plants are not subject to the over-all accounting which applies at pool plants.

Actual shrinkage in a pool plant should be prorated between other source milk received in the form of fluid milk products as one category and the remaining category which includes producer milk and milk received from other handlers. The amount thus prorated to the second category would be classified as Class II utilization only up to 2 percent of the total amount of skim milk and butterfat, respectively, received at the plant directly from producers. In the case of milk received at the pool plant from another pool plant or from a cooperative association for which the association is the handler, the similar limitation on

Class II classification would be 1.5 percent.

To the extent that actual shrinkage of a handler exceeds the limitations here described for Class II classification, the remainder would be Class I milk. Such a method of accounting for shrinkage provides a reasonable incentive to handlers to exercise care in handling and accurate accounting for milk.

If in any case there is an amount of skim milk or butterfat which the handler has received but for which he has not accounted for as to use in the categories described, it is necessary for purposes of complete accounting that the market administrator classify such skim milk and butterfat as Class I milk unless a different classification can be established.

Transfers. It is necessary to establish rules for the classification of milk transferred from one plant to another plant.

In the case of butterfat and skim milk used in the production of Class II items, the classification should be considered to be established when the product is made. Consequently, the rules for classification of transfers need apply only to fluid milk products.

In order to provide a definite rule for transfers between pool plants, milk in the form of fluid milk products transferred by a handler to the pool plant of another handler should be classified as Class I milk, unless both handlers indicate in their reports to the market administrator that they desire such milk to be classified as Class II milk and there is sufficient Class II utilization available at the transferee plant for such assignment after prior allocation of beginning inventory and other source milk. This rule should be subject to the further provision that the assignment will result in the maximum amount of producer milk of both handlers being assigned to Class I milk. These accounting procedures will carry out the recognized principle that the highest-valued uses should be assigned first to the milk of regular producers.

Some milk received at pool plants may be moved to nonpool plants. Producer milk may also be diverted to nonpool plants. In the latter case, the milk would move directly from the producer's farm to the nonpool plant. Transfers or diversions of fluid milk products to nonpool plants beyond 225 miles from the center point of Salt Lake City should be classified as Class I milk. Within this area are adequate manufacturing facilities so that no producer milk would need to be moved beyond this limit to find an outlet in manufacturing uses. Administrative feasibility requires that some limit be set on the area within which the market administrator must send his staff to verify utilization. Because of these considerations, the classification of fluid milk products moved to points beyond 225 miles from Salt Lake City as Class I milk is a reasonable administrative rule.

Transfers of fluid milk products and diversion of producer milk to nonpool plants within the 225-mile range may be classified according to utilization in the nonpool plant, providing certain conditions are met. In order to provide a definite rule for classification in case of such transfers and diversions, fluid milk products transferred in bulk form to nonpool plants within the 225-mile distance, and producer milk diverted to such nonpool plants, should be classified as Class I milk unless the following conditions are met:

(1) The transferring or diverting handler claims classification in Class II milk in his report;

(2) The operator of the nonpool plant, if requested, makes his books and records available to the market administrator for the purpose of verifying the receipts and utilization of all milk in the nonpool plant; and

(3) The nonpool plant used during the month an amount of skim milk and butterfat in Class II equal to the amount of the transferred or diverted milk so classified.

Shipments of fluid milk products in packaged form by a pool plant to a nonpool plant would be Class I milk disposition by the pool plant.

Milk transferred from a pool plant to the plant of a producer-handler would be Class I milk. The reasons for this are explained in prior findings on producer-handlers. Diversion by a pool plant of a producer's milk to a producer-handler would be classified in the same way. Transfers of milk from a producer-handler's plant to a pool plant would be other source milk when received at the pool plant.

Allocation. Pool plants may receive other source milk as well as producer milk and milk from other pool plants. All of the skim milk and butterfat handled in a pool plant must be classified so as to establish the handler's obligation to producers. Since the order class prices apply only to producer milk, it is necessary if a pool plant receives butterfat or skim milk other than that received in producer milk, to determine the quantities of milk in each class to be assigned to receipts from producers. Milk of producers should have priority in assignment to Class I utilization. This is necessary to assure the effectiveness of the classified pricing program.

The system of assigning Class I and Class II utilization of milk to receipts from different sources as set forth in detail in the order will carry out this objective. In general, this procedure provides that after setting aside the appropriate allowances for shrinkage, the skim milk and butterfat received in other source milk should be subtracted from Class II utilization of skim milk and butterfat, respectively, before other kinds of milk receipts are assigned. Since some other source milk may originate from plants regulated under other Federal orders, such milk, if priced as Class I under the other order, should take priority with respect to the highest utilization over other source milk not so priced. Receipts of milk from other handlers would be subtracted out from the class utilization to which they are assigned pursuant to the rules governing classification of milk transferred between handlers.

The sequence of subtractions, beginning with Class II utilization, necessary to achieve that remainder of utilization which should be properly assigned to producer milk is as follows:

(1) Allowable shrinkage;

(2) Receipts of other source milk not priced as Class I under another Federal order;

(3) Receipts of other source milk priced as Class I under another Federal order;

(4) Beginning inventory;

(5) Receipts from other handlers according to classification; and

(6) Overage.

Class prices. The Class I price should be established at a level which along with the appropriate Class II price will return to producers a uniform price sufficient to bring forth an adequate but not excessive supply of Grade A milk, including a reasonable reserve.

The producer groups which proposed an order for the Great Basin marketing area requested a Class I price of $5.724 for milk testing 3.6 percent butterfat to be effective for each of the first eighteen months of the order. For reasons set out in the following findings and conclusions, such a fixed price is not adopted. Instead there would be provided a Class I price based on a differential relationship over representative values for milk used in manufactured dairy products.

Basic formula price. The supply of Grade A milk produced for the Great Basin marketing area is very largely produced within the marketing area. Also there is milk qualified only for manufacturing purposes produced in the marketing area and in other areas within a distance from which the market may reasonably obtain milk for fluid sales.

Official notice is taken of the 1955 and 1956 Utah Annual Milk and Dairy Products Report published by the Agricultural Statistician, Agricultural Marketing Service, United States Department of Agriculture, Salt Lake City, Utah. A similar report for 1957 was submitted on the record, and official notice is taken of corresponding data for 1958 published by the Agricultural Statistician. In 1955 dairy farmers delivered 254 million pounds of manufacturing grade milk to Utah dairy plants; in 1956, 240 million pounds; in 1957, 243 million pounds; and in 1958, 238 million pounds. These quantities were less than the volume of Grade A milk, but represented 43 percent, 39 percent, 38 percent, and 36 percent, respectively, of total milk deliveries to Utah dairy plants in these years.

Quantities of Grade A milk were also used in manufactured dairy products. In this connection official notice is taken of data shown in the publication entitled "Production of Manufactured Dairy Products" as issued for 1955 and 1956 by the Agricultural Marketing Service, United States Department of Agriculture. Data for 1957 were submitted on the record. On a whole-milk-equivalent basis the quantities of Grade A and non-Grade A milk used for manufacturing in Utah dairy plants in the years of 1955, 1956 and 1957, were as follows: 376 million pounds, 405 million pounds, and 413 million pounds, respectively. The volume of milk used in manufactured dairy products in nearby

states reported on the same basis was in 1956: for Idaho 1,138 million pounds, for Wyoming 84 million pounds, for Nevada 23 million pounds, and for Colorado 461 million pounds.

To a degree, dairy farmers producing milk only for manufacturing purposes experience the same production conditions and are influenced by similar supply and demand conditions as affect producers supplying the Grade A market. There are also notable differences in the requirements for production of Grade A milk as compared to production of milk for manufacturing. The higher requirements are the reason for the higher level of price needed to obtain a supply of Grade A milk. From time to time some dairy farmers who produce manufacturing grade milk will make the additional expenditures needed to establish themselves as Grade A farmers. They are more likely to do this when the difference between the manufacturing milk price and the fluid market price makes such change particularly attractive. This is one way in which an increase in the supply of Grade A might occur. The so-called "cow pool" plan is a method which has been used by several farmers to qualify for certain Grade A markets. Under this plan one or more farmers shift their herds to a farm or facility qualified for Grade A production.

In view of the close availability of a large volume of non-Grade A production, the relationship of the Class I price to the manufacturing milk price is an important consideration as to what level of price will assure an adequate but not excessive supply for the Grade A market. It is concluded for the above reasons that the Class I price should be established by adding a differential to a representative price level for milk used in manufactured dairy products. Such a price will provide a degree of responsiveness to supply and demand conditions and will, therefore, be preferable to a constant price.

Within the milkshed for the Great Basin market, substantial milk manufacturing operations exist producing butter, nonfat dry milk, and evaporated milk. Under some orders paying prices of local manufacturing plants are one of the alternatives used in establishing a basic formula price. In this area, there are not a sufficient number of manufacturing plants independent of handler operations to provide a representative value for manufacturing milk. A more appropriate basis for a basic formula price is the higher of the Midwest condensery price average or a suitable butter-powder price formula. The condensery price commonly used in other orders for this purpose and the butter-powder formula used in the Western Colorado order (Part 980) are suitable for the basic formula in this order and are adopted. The basic formula price for each month would be used in establishing the Class I price for the following month.

As explained in the findings and conclusions on the level of Class I price, the prices under the order would be expressed for milk containing 3.5 percent butterfat. The butter-powder formula would be computed by subtracting 3 cents from the Chicago price for 92-score butter, adding 20 percent thereof, and multiplying the result by 3.5; and subtracting 5.5 cents from the average price for nonfat dry milk (spray and roller process) at manufacturing plants in the Chicago area, and multiplying by 8.2. The butter price would be that reported by the United States Department of Agriculture for the month, and the powder price as reported for the period from the 26th day of the preceding month through the 25th day of the month. The average of the basic formula prices which would have applied in establishing Class I prices in 1958 was $3.02. During the months of January, February, March, April and May 1959 the applicable basic formula prices for milk of 3.5 percent butterfat would have been $3.07, $3.06, $3.06, $3.01, and $2.95, respectively.

Class I differential. For an initial period the order for the Great Basin marketing area should establish a minimum Class I price per hundredweight of milk of 3.5 percent butterfat content at $2.20 over the basic formula price. Prices for subsequent periods should be based on a re-examination of market conditions.

The proponent cooperatives requested a Class I price of $5.724 per hundredweight for milk of 3.6 percent butterfat content, such price to be effective for the first eighteen months of the order. This is the price currently reported to be used by producer associations as a basis for their pricing system, with variations therefrom as indicated in the record. A handler representative proposed that the Class I price should be $5.32. These proposals need to be examined in light of the level of utilization of market supplies in Class I uses, existing and prospective supplies, as well as price levels which have prevailed in the market.

Under the system of accounting and classification most generally used in the market, the percentage of the milk supply used in fluid sales is estimated to have been about 66 percent in 1957. A somewhat higher percentage of Class I utilization may be expected under an order due to differences in the system of accounting and classification as compared to present practices. The order would require accounting for nonfat solids used in Class I on the basis of the quantity of milk used to produce the nonfat solids. In view of the widespread promotion of sales of fortified fluid products in the market, which are now accounted for on the basis of the weight of the product sold, the order accounting could in this connection show a noticeable change in utilization figures.

As pointed out in previous findings, some handlers have not accounted for milk on a utilization basis. These handlers have been able to obtain milk from farmers not members of the proponent cooperative associations at prices which result in a product cost for their fluid sales lower than the market average. In view of this it is likely that accounting under the order would tend to result in a higher market average utilization in fluid sales than has been experienced by the cooperative associations.

In view of such considerations and judgments submitted on the record by representatives of producers and handlers, it is estimated that the system of classification embodied in the order and the requirement of full accounting for all Class I use would result in about 4 percent higher Class I utilization than the fluid utilization percentage shown under current accounting practices. Thus, it is estimated that in 1957 under the type of accounting in the proposed order, the percentage of utilization of milk would have been about 70 percent in Class I.

The trend of Grade A milk production available to plants in Utah is shown by the annual totals of milk delivered to these plants. In 1955, there were 341 million pounds of Grade A milk received by Utah dairy plants; in 1956, 380 million pounds; in 1957, 405 million pounds; and in 1958, 419 million pounds. During this same period there was a decrease in the amount of ungraded milk received by Utah dairy plants from 254 million pounds in 1955 to 238 million pounds in 1958.

Farm production resources now used in the production of milk for manufacturing plants constitute a potential source of supply for the fluid market if the price is sufficiently attractive. The quantities of milk used in manufacturing in nearby states have been discussed in connection with the basic formula price. The largest supply in nearby states is in Idaho where milk production in 1957 was 1,526,000,000 pounds. Also within the State of Utah in an area bordering on the northern boundary of the proposed marketing area there are large scale milk manufacturing operations which depend largely on the milk produced there. Plants in this area also receive milk from Idaho farmers.

In the production area for the Great Basin market, the system of payments to dairy farmers for their milk has generally been under a managed base system. In this situation, the importance of the potential supplies at price levels prevailing in recent years may not have been fully realized. It is observed, however, that the data on milk received by Utah dairy plants show in recent years a general increase in the volume of milk qualified for fluid consumption. The concurrent decrease in the volume of manufacturing grade milk produced may indicate that farmers producing for manufacturing plants have converted to Grade A production.

An examination of price data entered by producer associations discloses certain deficiencies with respect to actual prices received by farmers. Exhibit 63, entered by producers, contains average price figures for milk sold for fluid and manufacturing uses to handlers by the proponent cooperatives during 1957. This exhibit does not show the average prices received by member producers, which testimony shows to be lower than the average price figures in the exhibit. Exhibits 13 and 14 contain data on prices received by farmers supplying prospective pool plants and other plants in Utah, but because price brackets are used with open end brackets for the lowest and highest portions of the price range, it is not possible to compute therefrom average prices paid to dairy farmers.

Other evidence in the record shows that the nominal Class I price announced by the cooperative associations was not received for all fluid disposition.

The Utah Annual Milk and Dairy Products Report for 1957 issued by the United States Department of Agriculture provides the best record data on prices paid to dairy farmers by Utah dairy plants. Official notice has already been taken of corresponding data for the years 1955, 1956, and 1958. These data show average prices per pound of butterfat of $1.27, $1.29, $1.30, and $1.26 for each of the years 1955 through 1958, respectively, which correspond to prices for milk testing 3.6 percent butterfat at $4.57, $4.64, $4.68, and $4.54 per hundredweight. These prices represent the average paid at Utah dairy plants for all milk qualified for fluid consumption including milk so qualified used in manufacturing. On the basis of the previously outlined data with respect to supplies and prices, it is apparent that the average prices just cited have been sufficient to attract at least an adequate supply for the Great Basin market and the nearby areas within the State of Utah.

Sales activities of the producer associations and proprietary handlers to whom they sell are widespread, extending into neighboring States. Accordingly the prices in such outlying markets are an important consideration as to the appropriate price for the Great Basin market.

The sales of milk by Great Basin handlers include regular distribution in Las Vegas and some other Nevada markets, and in Idaho and Wyoming. The producer price at Las Vegas for milk for fluid consumption was reported to be $5.76 per hundredweight for milk testing 3.6 percent butterfat. Based on this price and allowing for the cost of transportation, the returns to producers in the Salt Lake City area on milk moving to Las Vegas would be about $5.00 per hundredweight. It is further apparent that the price proposed by Great Basin producers cannot be realized on most shipments to out-of-State markets, since the prices in Idaho markets are lower, and the Federal order Class I price in the Western Colorado market, if it had been in effect for all of 1958, would have averaged $5.14 for milk of 3.6 butterfat content. Returns on shipments from the Great Basin market to the Western Colorado area would of course, be reduced by the cost of transportation.

Milk produced in Cache County, Utah, and qualified for fluid distribution was reported to be paid for at $4.03 per hundredweight for milk of 3.6 percent butterfat and an accompanying "surplus" price of 87 cents per pound of butterfat. The quantity of milk available at such prices was indicated to be equivalent to about 20 percent of the amount of Class I disposition by Great Basin handlers.

In view of the foregoing considerations, with respect to supplies and prices, it is concluded that the level of Class I price requested by producers is not in accordance with supply and demand conditions. The existing level of utilization of milk received by handlers in the Great Basin marketing area and the volume of existing and potential supplies available at lower price levels, require that a lower level of Class I price be established if a stable market situation is to be achieved.

The only other Class I price proposal supported on the record was a price of $5.32 per hundredweight for milk testing 3.6 percent butterfat. This proposal was made by a representative of two of the large proprietary handlers. The considerations referred to previously indicate that an adequate supply can be assured at such a price in combination with other features of the order.

It is concluded that a price at approximately this level should be adopted as the initial order price. This should be accomplished by providing a Class I differential of $2.20 over the basic formula price. For the year 1958 this would have resulted in an average Class I price of $5.30 for milk testing 3.6 percent butterfat. In combination with the Class II price and the estimated utilization of 70 percent in Class I as previously referred to, the resulting blend price would have been $4.63 at a butterfat test of 3.6 percent.

The uncertainties involved in the effect upon the available milk supplies which might result from the establishment of a milk order in an area which is near to large potential additional supplies, require that the initial Class I price be established only on a temporary basis. Accordingly, the price level under the proposed order should be reviewed as soon as possible after the order has been made effective and market data are available. Although the order provisions provide for the price to be established at $2.20 over the basic formula price for the first 18 months of the order, a determination should be made as soon as sufficient information is available, as to whether a public hearing should be called to reconsider the level of the Class I price.

For purposes of uniformity with other markets where Federal orders apply, the prices should be calculated and announced for milk testing 3.5 percent butterfat. The conversion from prices for 3.6 test to prices for 3.5 test, and vice versa, may be readily accomplished by application of the appropriate butterfat differentials.

No recommendation was made by proponents for seasonal changes in prices. Fluid sales of handlers and receipts show only a moderate seasonal variation. A reexamination of this matter should be made after the order has been effective for a year or more.

Class II price. Since Class II milk will include all milk used in manufacturing it is appropriate that the Class II price should be at a level which reflects the value of manufacturing grade milk. The Class II pricing formula, as proposed by producers, reflects this value and is therefore adopted as appropriate for the Great Basin marketing area.

During 1956, dairy farmers delivering ungraded milk to Utah plants received $3.05 per hundredweight for milk of 3.5 percent butterfat content. The average Class II price during 1956 pursuant to the proposed formula would have been $3.12. In 1957, Utah dairy farmers received an average price of $3.08 for manufacturing grade milk of 3.5 percent butterfat content, and the Class II pricing formula would have produced an average price of $3.13. In 1958, Utah dairy farmers received an average price of $2.91 for manufacturing grade milk of 3.5 percent butterfat content. During 1958, the formula would have produced a Class II price of $2.99. During the first four months of 1959, the average Class II price would have been $2.90.

Except for cottage cheese and ice cream manufactured by proprietary handlers, two of the proponent cooperative associations process most of the Grade A milk in the market which is disposed of for manufacturing purposes.

It is concluded that the price per hundredweight for Class II milk should be computed each month by subtracting 52 cents from the sum of the Chicago 92-score butter price multiplied by 4.03, and the Chicago spray-powder price multiplied by 8.2.

Butterfat differentials. The attached order provides that butterfat and skim milk be accounted for separately for classification purposes. It also provides that class and blend prices should be established for milk containing 3.5 percent butterfat. Therefore, it will be necessary to adjust the Class I, Class II and blend prices in accordance with the average test of the milk in each class or delivered by each producer to reflect differences in the value of the milk due to variations in butterfat content.

The Class I butterfat differential for each one-tenth of one percent that the average test of Class I use varies from the basic test should be determined by multiplying the price of 92-score butter at Chicago by 1.35, dividing the result by ten and rounding to the nearest tenth of a cent. The average Class I differential which would have been effective during 1958 pursuant to this formula is 7.9 cents.

Various proposals relative to the appropriate Class I butterfat differential were made at the hearing. Some of these proposals would have resulted in a higher Class I differential than herein provided, and would have allocated a relatively low value to the skim component of Class I milk. A butterfat differential equal to 135 percent of the Chicago butter price will allocate an adequate proportion of the value of Class I milk to the butterfat component and will allocate a substantial and equitable value to the skim milk component as well.

The Class II butterfat differential should be 1.15 times the price of 92-score butter at Chicago, divided by 10 and rounded to the nearest tenth of a cent. The average Class II differential which would have been effective during 1958 pursuant to this formula is 6.7 cents. This formula will reflect appropriately the value of butterfat in milk used in manufacturing operations and is the same as the factor used in the butterfat portion of the Class II price.

The butterfat differential to producers for milk containing more or less than 3.5 percent butterfat should correspond to the weighted average values of the but-

terfat and skim milk in producer milk utilized by handlers in Class I and Class II. This follows the principle of a uniform price to all producers. Each producer will share equally in the total value of all handlers' Class I and Class II utilization at the basic test of 3.5 percent butterfat. It is equally appropriate that each producer should receive the average utilization value of the butterfat and skim milk components for milk testing above or below 3.5 percent.

Equivalent price. If for any reason a price quotation required by this order for computing class prices or for any other purpose is not available in the manner described, the market administrator should use a price determined by the Secretary of Agriculture to be equivalent to the price which is required. Experience has shown that market quotations described in the order may not be available sometimes in the form described or may be discontinued. It is concluded that provision for such contingencies should be made by providing for a determination by the Secretary of Agriculture of an equivalent price(s).

Location differentials. Class I and uniform prices paid by handlers operating plants located a considerable distance from specified points within the marketing area should be subject to minus adjustments to reflect the cost of moving milk to the Great Basin marketing area. Adjustments to Class I prices at such plants are necessary to equalize the cost of fluid milk to all handlers distributing within the marketing area. Adjustments to producer prices will recognize the lesser value for the milk of those producers which must be transported a considerable distance to the Great Basin market.

Producer proponents proposed that location price adjustments apply to plants located at least 50 miles from the City Hall in Salt Lake City. However, plants located in or near Salt Lake City, and plants located in or near Provo and Ogden which are within the 50-mile limit proposed by producers, distribute a significant portion of total fluid distribution in all sections of the Great Basin marketing area. Therefore, if location adjustments as proposed by the cooperatives were provided, several handlers whose plants are located within the marketing area but more than 50 miles from Salt Lake City would have a Class I price advantage as compared with handlers located in or near Salt Lake City, Ogden or Provo. Producers delivering to these plants located within the marketing area but more than 50 miles from Salt Lake City would be placed at a disadvantage as compared with producers delivering to plants within the 50-mile radius.

To prevent such competitive advantages among handlers and inequities to producers, location adjustments should apply only to those plants located 100 miles or more from the nearest city hall in Ogden, Vernal, Richfield, and Price, Utah, by the shortest highway distance as determined by the market administrator.

A representative of a proponent cooperative testified as to costs involved in moving bulk milk considerable distances to areas surrounding the Great Basin area; namely, from 18 to 22 cents per hundredweight per hundred miles. These costs, however, relate only to sporadic shipments by one large over-the-road tanker. The schedule of milk-hauling rates of the Dairyland Transport Company located in Springfield, Missouri, was also entered in evidence. The rates contained in this schedule are less than the cost incurred by the cooperative, and are considered more representative of costs of transporting milk on a regular basis.

This schedule substantiates a rate of 15 cents per hundredweight for a distance of a hundred miles, which is similar to rates used in a number of Federal orders. For instance, the location differential contained in the Western Colorado Federal order, which regulates the handling of milk in an area surrounded by mountainous terrain such as is the case in parts of the Great Basin marketing area, is 15 cents for plants located 100 miles but less than 110 miles from Grand Junction, and 1.5 cents for each additional 10 miles.

It is concluded that a rate of 15 cents should be established for the 100–110-mile distance zone from the named locations, and 1.5 cents for each additional 10 miles or fraction thereof. This rate should apply to the price of Class I milk to handlers and to the uniform price to producers.

A method should be provided for determining the priority of milk from various plants in allocating to Class I for the purpose of computing the aggregate of location differentials allowed to handlers. Such allowance should be made for sources in sequence beginning with milk received directly from producers and then milk received from those plants which have the lowest location differential.

Payments on unpriced milk. The rate of payment to be required of nonpool plants to offset their advantage as to cost of milk for fluid sales in the marketing area should be based on the circumstances generally affecting cost of milk to unregulated plants. One of the conditions affecting such cost in this marketing area is the substantial proportion of the milk which meets Grade A requirements but does not find a fluid market. This excess over fluid market needs must find an outlet in manufactured dairy products. The presence of this excess provides an opportunity for an unregulated plant to obtain for Class I use (fluid sales) milk for which the alternative use value is established by the market for manufactured dairy products.

A nonpool handler who is not subject to any requirement to pay for his milk supplies on a class-use basis may expand his fluid milk sales in the marketing area without paying the Class I price for the corresponding part of his supply. For such sales he may use milk which otherwise would be used for manufacturing and which represents reserve or surplus carried in his own plant or other unregulated plants.

Accordingly in order to fully offset any cost advantage to an unregulated plant with respect to its fluid milk sales in the marketing area, such plant should be required to make a payment at the rate per hundredweight which is the difference between the Class I price, adjusted for butterfat and location differentials, and the representative value for milk used in manufactured dairy products. The latter value would be adequately represented by the Class II price.

Pool plants also might avail themselves of the opportunity to procure unpriced milk from unregulated plants for use in Class I sales in the marketing area. Just as in the case of nonpool plants the opportunity exists for pool plants to use for Class I supplies of milk from sources where it is not priced according to class utilization unless some offsetting requirement is provided in the order. Under the allocation provisions of the order, producer milk is given priority with respect to the Class I utilization of the handler. If the handler does not procure sufficient producer milk to cover his Class I sales and receives milk from unregulated sources for Class I use, it is necessary to offset any cost advantage which might accrue to the handler by this arrangement. The circumstances affecting the availability and cost of unpriced milk in this case are similar to those in the case of an unregulated plant distributing milk on routes in the marketing area. Accordingly, the same rate of compensatory payment should apply with respect to the amount of other source milk used by the pool plant in Class I.

It is administratively necessary to use the stated rate of compensatory payment instead of attempting to determine a particular rate in each given case. Pool plant operators may obtain other source milk with little or no advance notice from a wide variety of sources. Any attempt to determine the actual cost of such milk to the regulated handler would be complicated by the number of plants involved, the fact that some of the plants supplying the other source milk might be operated by the same handler in which case the interplant billing would be purely arbitrary, the possibility of arbitrary billing even where the plants were not under common ownership, and the fact that the originating plant would not be subject to the audit and payment provisions of the order. It is, therefore, necessary to have definite and specified rates applicable to all handlers similarly situated. The rates herein provided are those which will best effectuate the intent of the Act under current marketing conditions in the area.

Other source milk used in the form of nonfat dry milk should be considered to be from a source at the location of the pool plant where it is used. In some instances there will be no and in all cases insignificant transportation charges per hundredweight experienced by handlers on such other source milk under the skim milk equivalent basis of accounting provided in the order. By following this procedure, the compensatory payment on other source milk derived from nonfat dry milk will be comparable to that on any other source milk which is allocated to Class I milk.

No compensatory payments should be required on milk classified and priced under any other Federal order. The near-

est other market in which a Federal order applies is the Western Colorado market (Order No. 80). One handler in the Western Colorado market has route distribution within Grand County in this marketing area. The price relationships between the Great Basin market and other markets from which milk might be obtained are such as would not ordinarily result in any undermining of the stability of this market. If it should develop that any plant which is regulated under another order and which by reason of a peculiar location advantage does threaten the stability of this market, the appropriate application of price regulation to such a plant would need to be examined on the basis of the circumstances evidenced at the time such event occurred.

These payments to be made by nonpool plants distributing milk in the marketing area and by pool plants which use milk from unregulated sources in Class I are herein called "compensatory payments", and should be paid into the producer-settlement fund. In the case of the nonpool plant, the operator of such plant is the person responsible for the distribution of the milk in the marketing area and, accordingly, should make the payment to the producer-settlement fund. In the case of pool plants using other source milk for Class I use, the operator of such plant is the person responsible for bringing other source milk into the regulated market and should make the payment to the producer-settlement fund.

It is appropriate that the compensatory payments should be paid into the producer-settlement fund. In this way they will add to the total value paid to the dairy farmers upon whom the market depends for a regular supply of fluid milk. This is in accordance with the purpose of assuring a sufficient and dependable supply of milk for the fluid market.

(d) *Distribution of proceeds to producers.* Returns from the sale of milk should be distributed to producers through a market-wide pool rather than through individual handler pools.

The Act specifies that an order must provide for (1) the payment of uniform prices for all milk delivered by producers to the same handler, or (2) the payment of uniform prices for all milk delivered by producers to all handlers based upon the market-wide use of such milk. The former method of payment is by individual handler pools, the latter by a market-wide pool. Under either method, all handlers pay the same class prices for producer milk except for plant location and butterfat content differences.

Under the individual handler pool, the minimum prices to be paid producers will be uniform to all producers delivering their milk to the same handler. The uniform price will depend upon the proportion of producer receipts used in each class by the handler. Although each handler is required to pay minimum uniform prices to all the producers who deliver milk to him during each month, the prices paid by different handlers may differ because the proportion of milk used in each class may vary.

Daily fluctuations in receipts and sales and normal seasonal changes in production and sales inevitably result in some Grade A milk being disposed of for other than fluid purposes. Such milk which constitutes the reserve for the fluid market must be disposed of in the less remunerative outlet of manufactured dairy products.

Procurement practices of various handlers and the efforts of the three proponent cooperatives to stabilize market conditions have resulted largely in a situation such that these associations assume the responsibility of carrying almost the entire reserve supply of the market. One of the three, a bargaining cooperative, operates a pool which equalizes returns among its members, depending on the utilization of a group of relatively large proprietary handlers through whom the cooperative markets members' milk. Each of the other two, both of which are operating cooperatives, conducts a pool based upon their respective Class I utilization, including proceeds from sales of milk to other handlers. Each of the three cooperatives supplies supplemental milk to some of the handlers who purchase most of their milk from nonmember sources. A market-wide type of pool would result in a more equitable distribution of returns among all dairy farmers who produce the fluid milk supply for the Great Basin area.

A market-wide pool will also contribute to the flexibility of milk marketing in the Great Basin area in two other important respects. One of these is that supplemental supplies may be freely distributed among handlers without disturbing the prices paid to producers at each plant. The other is that temporary or seasonal reserves may be shifted between plants either by transfer of the milk or of the producers so as to result in the most economical use of milk and facilities and yet without affecting the prices paid to producers at individual plants.

Payments to individual producers and to members of cooperative associations. Each handler should make final payment to each producer for milk delivered by such producer at the appropriate uniform price on or before the 17th day of the month following receipt of the milk; or in lieu thereof should make payment to a cooperative association if appropriately requested as described herein.

In the case of producers who are members of a cooperative association which is not the handler for their milk, the handler receiving such milk should pay the cooperative association for such milk if the cooperative association makes a written request for such payment and if the producer has given the cooperative association written authorization, in the form of a contract or in any other form, to collect such payments. The association's request should provide for indemnifying the handler for any loss incurred because of any improper claim.

Unless a cooperative association can receive payment for the milk marketed on behalf of its producer members, it cannot reblend the sales proceeds from milk sold from various outlets. This function is specifically provided for in the Agricultural Marketing Agreement Act.

In making such payments for milk of individual producers to a cooperative association the handler should, at the same time, furnish the cooperative association with a statement showing the name of each producer for whom payment is being made, the volume and butterfat content of milk delivered by each such producer and the amount of and reasons for any deductions which the handler withheld from the amount payable to each such producer. This statement is necessary so the cooperative association can make proper distribution of the money to the producers for whom it collects payment.

Provision is made for handlers to make payments to a cooperative association two days in advance of the time the handler is required to make payments to individual producers so that all producers will receive payment on approximately the same date.

It should also be provided that payments shall be made to cooperatives by handlers for that milk for which the cooperative is a handler and delivers to the pool plant of another handler. The payments for this milk should be at the class prices for the classification arrived at under the rules for classification of interhandler transfers. In the case of such milk the cooperative will be the handler receiving such milk from producers and will equalize with the pool on such milk.

Producer-settlement fund. Since the amount which the order requires a particular handler to pay for his milk may be more or less than the amount which he is required to pay directly to producers or cooperative associations, some method of balancing these amounts is necessary. A producer-settlement fund should be established for this purpose. All handlers who are required to pay more for their milk on the basis of their utilization than they are required to pay for producer milk at the uniform price should pay the difference into the producer-settlement fund; and all handlers who are required to pay more for producer milk at the uniform price than they are required to pay for their milk on the basis of utilization should receive the difference from the producer-settlement fund. Amounts paid into and out of the producer-settlement fund for this purpose will be equal except for minor differences that may result from rounding of uniform prices. In order to accommodate this rounding of prices, to allow for unavoidable delays in receiving payments from handlers and to permit payments to be made to any handler, which audit by the market administrator reveals are due such handler from the producer-settlement fund, a reasonable reserve should be held in the producer-settlement fund at all times. The amount of the reserve should be sufficient to enable the producer-settlement fund to perform its functions efficiently. The reserve, which would be adjusted each month, is established in the attached order by deductions from the uniform price computation at the rate

of not less than 4 cents, nor more than 5 cents, per hundredweight of producer milk in the pool for the month. One-half of the unobligated balance remaining in the fund from the preceding month would be added to the values used in calculating the uniform prices each month.

If, at any time, the balance in the producer-settlement fund is insufficient to cover payments due to all handlers from the producer-settlement fund, payments to such handlers should be reduced uniformly per hundredweight of milk. The handlers may then reduce payments to producers by an equivalent amount per hundredweight. Amounts remaining due such handlers from the producer-settlement fund should be paid as soon as the balance in the fund is sufficient, and handlers should then complete payments to producers.

(e) *Other administrative provisions.* The remaining provisions are of a general, administrative nature, are incidental to the other provisions of the order, and are necessary for proper and efficient administration. They provide for the selection of a market administrator, define his powers and duties, provide for an administrative assessment, prescribe the information to be reported by handlers, and set forth the rules to be followed in making the required computations. They also prescribe the length of time that records must be retained and provide a plan for the liquidation of the order in event of suspension or termination. They are similar to like provisions in other milk orders, and except as set forth below require no comment.

Records and reports. Provisions should be included in the order to advise handlers that they are required to maintain adequate records of their operations and to make the reports necessary to establish classification of producer milk and payments due for such milk. Time limits must be prescribed for filing such reports. Dates must also be established for the announcement of prices by the market administrator. It should be provided that the market administrator report to each cooperative association, which so requests, the amount of class utilization of milk received by each handler from producers who are members of such cooperative association. For the purpose of this report, the utilization of members' milk in each handler's plant will be prorated to each class in the proportion that total receipts of producer milk were used in each class by such handler. These reports are necessary for the cooperative association to market effectively milk of its members.

In view of the provisions concerning the classification of milk transferred to the plant(s) of a producer-handler(s) from a pool plant(s) and to a pool plant(s) from a producer-handler(s), the market administrator should publicly announce each month the names of those operators who have declared their intention to operate as producer-handlers. This provision will not excuse any handler, however, from adjustments necessitated if the market administrator discovers on audit that a person who had made such declaration of intention had not complied with the requirements for producer-handlers.

Reports are required from handlers on receipts and utilization so that the market administrator may make the computations necessary to the market-wide pooling operation and the uniform price to producers. Handlers are also required to submit payroll reports which would show the details of milk receipts from each producer, the value of the milk received from the producer, deductions therefrom, and the net amount paid to the producer.

There are limitations on the period of time handlers shall retain books and records which are required to be made available to the market administrator, and on a period of time after which obligations under the order shall terminate. The provision made in this regard is identical in principle with the general amendment made to all orders in operation on July 30, 1947, effective February 22, 1949; and the Secretary's decision of January 26, 1949 (14 F.R. 444), covering the retention of records and limitations of claims is equally applicable in this situation and is adopted as part of this decision.

Dates must be prescribed for announcing prices, filing reports and making payments. The following time schedule should allow all interested persons adequate time to perform each function. (These time limits apply to the indicated day of the month following the month for which computations are being made.)

6th: Announcement by the market administrator of the Class I price and Class I butterfat differential for the current month, and of the Class II price and the Class II butterfat differential for the preceding month.

7th: Submission by cooperative associations of monthly report of receipts and utilization of milk for which it is the first handler.

7th: Submission by handlers of monthly report of receipts and utilization.

12th: Announcement by the market administrator of uniform prices.

12th: Notification by market administrator to handlers of the value of their producer milk and amounts due to or payable from the producer-settlement fund.

14th: Payments by handlers of amounts due to producer-settlement fund.

15th: Payments by market administrator out of producer-settlement fund.

15th: Payments by handlers to cooperative associations.

17th: Payments by handlers to producers and to market administrator for expenses of administration and marketing services.

Expenses of administration. Each handler should be required to pay the market administrator, as his pro rata share of the cost of administering the order, not more than 4 cents per hundredweight (or such lesser amounts as the Secretary may, from time to time, prescribe) on:

(a) Producer milk including such handler's own production;

(b) Other source milk in pool plants which is allocated to Class I milk pursuant to § 963.44 (a) (2) and (b); and

(c) Class I milk disposed of in the marketing area (except to a pool plant) from a nonpool plant, except the plant of a producer-handler.

The market administrator must have sufficient funds to enable him to administer properly the terms of the order. The Act provides that such costs of administration shall be financed through an assessment on handlers. In view of the manner in which the regulation applies to various handlers and types of handler operations, the described application of administrative assessment appropriately assigns a proportionate share of expense to each handler.

Marketing services. A provision should be included in the order for furnishing market services to producers, such as verifying the tests and weights of producer milk and furnishing market information. These should be provided by the market administrator, unless provided by a qualified cooperative association, and the costs should be borne by the producers receiving the service. The order should provide that 6 cents per hundredweight, or such lesser amount as the Secretary may determine, be deducted from payments to such producers for the use of the market administrator in financing such services. For producers for whom the cooperative association is rendering such services the handler should pay to the cooperative association such deductions as the producer has authorized the cooperative to collect, such payments to be in lieu of those to the market administrator.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties in the market. These briefs, proposed findings and conclusions, and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or to reach such conclusions are denied for the reasons previously stated in this decision.

General findings. (a) The proposed marketing agreement and order and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in public interest; and

(c) The proposed marketing agreement and order will regulate the handling of milk in the same manner as, and will be applicable to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Recommended marketing agreement and order. The following order regulating the handling of milk in the Great Basin marketing area is recommended

as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreement is not included in this decision because the regulatory provisions thereof would be the same as those contained in the proposed order.

DEFINITIONS

§ 963.1 Act.

"Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

§ 963.2 Secretary.

"Secretary" means the Secretary of Agriculture or any officer or employee of the United States authorized to exercise the powers or to perform the duties of the Secretary of Agriculture.

§ 963.3 Department.

"Department" means the United States Department of Agriculture or such other Federal agency as may be authorized to perform the price reporting functions specified herein.

§ 963.4 Person.

"Person" means any individual, partnership, corporation, association, or any other business unit.

§ 963.5 Cooperative association.

"Cooperative association" means any cooperative association of producers which the Secretary determines, after application by the association: (a) To be qualified under the provisions of the act of Congress of February 19, 1922, as amended, known as the "Capper-Volstead Act"; (b) to have full authority in the sale of milk of its members and to be engaged in making collective sales of or marketing milk or its products for its members; and (c) to have its entire activities under the control of its members.

§ 963.6 Great Basin marketing area.

"Great Basin marketing area" hereinafter called the "marketing area" means all territory within the counties of Davis, Morgan, Salt Lake, Tooele, Utah, Wasatch, Weber, Summit, Grand, Daggett, Duchesne, Carbon, Sanpete, Juab, Millard, Sevier, Uintah, and Emery in the State of Utah.

§ 963.7 Producer.

"Producer" means:

(a) A dairy farmer, except a producer-handler, who produces milk in compliance with the inspection requirements of a duly constituted health authority for fluid consumption (as used in this subpart, compliance with inspection requirements shall include production of milk acceptable for fluid consumption to agencies of the United States Government located in the marketing area) which milk is delivered directly from such dairy farmer's farm to a pool plant; or

(b) A dairy farmer, except a producer-handler, who produces milk in compliance with the inspection requirements described in paragraph (a) of this section, on each day of the month on which his milk is diverted by a handler (including a cooperative association) from a pool plant to a nonpool plant up to the same number of days as his milk is delivered to a pool plant during the month; and on each day of the months of April, May and June on which his milk is so diverted to a nonpool plant if such farmer was a producer for the entire month during any one of the three calendar months preceding.

§ 963.8 Producer-handler.

"Producer-handler" means any person who produces milk and operates an approved plant described in § 963.10(a) which receives no milk from other dairy farmers: *Provided,* That such person meets the requirements set forth in paragraphs (a) and (b) of this section.

(a) The person who is the producer-handler exercises complete and exclusive control over the production resources which are used to produce the milk which is to be considered his own production, and over the processing facilities and operation thereof which are used to process such milk, and over the distribution facilities and operation thereof which are used to dispose of such milk; and

(b) The person who is the producer-handler makes written application to the market administrator stating his intention to operate as a producer-handler under the order, such application to be effective beginning with the first month after which such application is received.

§ 963.9 Handler.

"Handler" means:

(a) Any person in his capacity as the operator of one or more approved plants;

(b) Any cooperative association with respect to milk diverted for its account as described in § 963.7; and

(c) A cooperative association with respect to the milk of its member producers which is delivered from the farm to the pool plant of another handler in a tank truck owned and operated by, or under contract to, such cooperative association, if the cooperative association notifies the market administrator and the handler to whom the milk is delivered, in writing prior to the first day of the month in which the milk is delivered, that it wishes to be the handler for the milk. In this case the milk is received from producers by the cooperative association.

§ 963.10 Approved plant.

"Approved plant" means a plant (a) in which milk or skim milk is processed or packaged and from which any fluid milk product is disposed of during the month on routes in the marketing area, or (b) from which milk or skim milk qualified for distribution for fluid consumption is shipped during the month to a plant described in paragraph (a) of this section.

§ 963.11 Pool plant.

"Pool plant" means:

(a) An approved plant, except a plant of a producer-handler as described in § 963.8, from which during the month (1) there are disposed of on routes fluid milk products equal to not less than 50 percent of the total of receipts at the plant of milk from dairy farmers meeting the inspection requirements described in § 963.7, milk diverted pursuant to § 963.7 by the handler operating the plant, and other fluid milk products qualified for distribution for fluid consumption received at the plant, and (2) there are disposed of on routes in the marketing area fluid milk products equal to not less than 10 percent of total fluid milk product disposition from the plant on routes: *Provided,* That any approved plant from which the total route distribution of fluid milk products is without remuneration shall be a nonpool plant.

(b) An approved plant from which during the month fluid milk products equal to not less than 50 percent of the total of receipts at the plant from dairy farmers meeting the inspection requirements described in § 963.7, milk diverted pursuant to § 963.7 by the handler operating the plant and other fluid milk products qualified for distribution for fluid consumption received at the plant are shipped to a plant described in paragraph (a) of this section: *Provided,* That a plant which so qualifies in each of the months of August through January as a pool plant shall be a pool plant in each of the following months of February through July unless the operator requests in written notice to the market administrator that such plant not be a pool plant, such nonpool status to be effective the first month following such notice and thereafter until the plant qualifies as a pool plant on the basis of shipments.

§ 963.12 Nonpool plant.

"Nonpool plant" means any milk receiving, manufacturing, or processing plant other than a pool plant.

§ 963.13 Producer milk.

"Producer milk" means only that skim milk and butterfat contained in milk from producers which is:

(a) Received from producers at a pool plant in amount determined by weights or measurements for individual producers, as taken at the farm in the case of milk moved from the farm in a tank truck;

(b) Diverted as described in § 963.7 to a nonpool plant, in which case it is received by the handler diverting the milk;

(c) Received by a cooperative association which is defined as a handler of the milk pursuant to § 963.9(c).

§ 963.14 Other source milk.

"Other source milk" means all skim milk and butterfat contained in:

(a) Receipts during the month of fluid milk products except (1) fluid milk products received from pool plants, (2) producer milk, (3) milk received from a cooperative association for which the cooperative association is a handler pursuant to § 963.9(c); and

(b) Products, other than fluid milk products, from any source (including those produced at the plant) which are reprocessed or converted to another product in the plant during the month.

§ 963.15 Fluid milk product.

"Fluid milk product" means milk (including frozen or concentrated milk), chocolate milk, buttermilk, chocolate

drink, fluid cream (sweet or sour), skim milk, fortified milk or skim milk, reconstituted milk or skim milk, and mixtures of milk, skim milk and cream.

§ 963.16 Route.

"Route" means any delivery (including delivery by a vendor or a sale from a plant or plant store) of any fluid milk product, other than a delivery to any milk processing plant.

§ 963.17 Butter price.

"Butter price" means the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the mid-point of any price range as one price) per pound of 92-score bulk creamery butter at Chicago, as reported by the Department for the period from the 26th day of the immediately preceding month through the 25th day of the current month.

§ 963.18 Powder price.

"Powder price" means the carlot price per pound of nonfat dry milk, spray process, for human consumption, f.o.b. manufacturing plants in the Chicago area, as published by the Department for the period from the 26th day of the immediately preceding month through the 25th day of the current month.

MARKET ADMINISTRATOR

§ 963.20 Designation.

The agency for the administration of this part shall be a "market administrator" selected by the Secretary. He shall be entitled to such compensation as may be determined by the Secretary and shall be subject to removal at his discretion.

§ 963.21 Powers.

The market administrator shall have the following powers with respect to this part:

(a) To administer its terms and provisions;

(b) To make rules and regulations to effectuate its terms and provisions;

(c) To receive, investigate, and report to the Secretary complaints of violations; and

(d) To recommend amendments to the Secretary.

§ 963.22 Duties.

The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including, but not limited to the following:

(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of the funds received pursuant to § 963.86:

(1) The cost of his bond and the bonds of his employees;

(2) His own compensation; and

(3) All other expenses except those incurred under § 963.85 necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and, upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Publicly disclose to handlers and producers, at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, after the date upon which he is required to perform such acts, has not made reports or made available records and facilities pursuant to § 963.30 through § 963.33, or payments pursuant to § 963.80 through § 963.86;

(g) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

(h) On or before the 12th day after the end of each month report to each cooperative association which so requests the amount and class utilization of producer milk received by each handler from members of the association. For the purpose of this report, the milk so received shall be prorated to each class in accordance with the total utilization of producer milk of each handler;

(i) Verify all reports and payments of each handler, by audit of such handler's records and the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends; and by such other means as are necessary;

(j) Prepare and make available for the benefit of producers, consumers, and handlers, general statistics and information which do not reveal confidential information; and

(k) On or before the date specified, publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate and mail to each handler at his last known address, a notice of each of the following:

(1) The 6th day of each month, the Class I price and butterfat differential for the month, computed pursuant to §§ 963.50 and 963.52, respectively;

(2) The 6th day of each month, the Class II price and butterfat differential for the preceding month, computed pursuant to §§ 963.50 and 963.52, respectively;

(3) The 12th day of each month, the uniform price for producer milk computed pursuant to § 963.71 and the butterfat differential computed pursuant to § 963.72, all for the preceding month;

(4) The 1st day of each month the name of each person who has applied for producer-handler status pursuant to § 963.8, and the location of his plant.

REPORTS, RECORDS AND ACCOUNTING

§ 963.30 Reports of sources and utilization.

(a) On or before the 7th day after the end of each month, each handler shall report for each of his pool plants for such month to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(1) The quantities of skim milk and butterfat contained in:

(i) Producer milk received at the plant or diverted therefrom by the handler;

(ii) Milk received from a cooperative association which is a handler for such milk pursuant to § 963.9(c);

(iii) Fluid milk products received from other pool plants;

(iv) Other source milk;

(v) Inventories of fluid milk products on hand at the beginning of the month;

(2) The utilization of all skim milk and butterfat required to be reported pursuant to subparagraph (1) of this paragraph, including separate statements as to the disposition of Class I milk on routes entirely outside the marketing area, and inventories of fluid milk products on hand at the end of the month; and

(b) On or before the 7th day after the end of each month, each cooperative association shall report the following:

(1) The quantities of skim milk and butterfat in producer milk which the cooperative association diverted from pool plants of other handlers to nonpool plants, and the classification thereof;

(2) The quantities of skim milk and butterfat in producer milk which the cooperative association received pursuant to § 963.9(c).

§ 963.31 Other reports.

(a) On or before the 7th day after the end of the month, each handler, except a producer-handler, who operates a nonpool plant from which fluid milk products are disposed of during the month on routes in the marketing area shall report to the market administrator the quantities of skim milk and butterfat so disposed of, and shall make such other reports with respect to receipts of milk and utilization thereof as are requested by the market administrator.

(b) Each producer-handler shall make reports to the market administrator at such tme and in such manner as the market administrator may prescribe.

§ 963.32 Payroll reports.

Each handler shall report to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(a) On or before the 20th day after the end of the month, his producer payroll for that month, which shall show for each producer;

(1) His name and address;

(2) The total pounds of milk received from such producer;

(3) The plant at which such milk was received or delivered to;

(4) The days for which milk was received from such producer;

(5) The average butterfat content of such milk; and

(6) The net amount of the handler's payment to the producer, together with the price paid and the amount and nature of any deductions;

(b) Such other information with respect to his sources and utilization of butterfat and skim milk, and at such times as the market administrator shall prescribe.

§ 963.33 Records and facilities.

Each handler shall maintain and make available to the market administrator during the usual hours of business such accounts and records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data for each month, including, but not limited to:

(a) The receipt and utilization of all skim milk and butterfat handled in any form;

(b) The weights and tests for butterfat and other content of all products handled;

(c) The pounds of skim milk and butterfat contained in or represented by all items of products on hand at the beginning and end of each month; and

(d) Payments to producers, including any deductions, and the disbursement of money so deducted.

§ 963.34 Retention of records.

All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain: *Provided,* That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c(15)(A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION OF MILK

§ 963.40 Responsibility of handlers.

All skim milk and butterfat required to be reported by handlers pursuant to § 963.30 shall be classified as Class I milk unless the handler who received or diverted such skim milk and butterfat establishes that it was utilized as Class II milk.

§ 963.41 Classes of utilization.

The classes of utilization shall be as follows:

(a) *Class I milk.* Class I milk shall be all skim milk and butterfat:

(1) Disposed of from a plant in the form of fluid milk products except that classified as Class II milk pursuant to paragraph (b) of this section and §§ 963.42 through 963.43, and

(2) Not otherwise specifically accounted for as Class II pursuant to paragraph (b) of this section.

(b) *Class II milk.* Class II milk shall be all skim milk and butterfat:

(1) Used to produce any product other than a fluid milk product;

(2) Contained in inventories of fluid milk products on hand at the end of the month;

(3) Disposed of as skim milk for livestock feed;

(4) Dumped as milk or skim milk if with the prior approval of the market administrator;

(5) In actual shrinkage of skim milk and butterfat allocated pursuant to § 963.45(b)(2) not to exceed the following: 2 percent of skim milk and butterfat in producer milk (except diverted milk) received by handlers, plus 1½ percent of skim milk and butterfat, respectively, received from pool plants of other handlers in bulk tank lots or from a cooperative association which is the handler for the milk pursuant to § 963.9(c), less 1½ percent of skim milk and butterfat, respectively, disposed of in bulk tank lots to pool plants of other handlers; and

(6) In shrinkage allocated to other source milk pursuant to § 963.45(b)(1).

§ 963.42 Transfers.

(a) Skim milk and butterfat transferred from the pool plant of a handler or by a cooperative association in its capacity as a handler pursuant to § 963.9(c) to a pool plant of another handler as fluid milk products in bulk form shall be classified so as to result in the maximum assignment of the producer milk of both handlers to Class I milk. Any additional amounts of skim milk and butterfat shall be classified as Class I milk unless the operators of both plants claim utilization thereof in Class II in their reports submitted pursuant to § 963.30: *Provided,* That the skim milk or butterfat so assigned to Class II milk shall be limited to be the respective amounts thereof remaining at the pool plants of the transferee handler after the subtraction of other source milk pursuant to § 963.44;

(b) Skim milk and butterfat transferred or diverted to the plant of a producer-handler in the form of fluid milk products shall be classified as Class I milk;

(c) Skim milk and butterfat transferred or diverted in bulk form as milk, skim milk or cream to a nonpool plant which is not the plant of a producer-handler shall be classified as Class I milk unless:

(1) The transferee plant is located inside the marketing area or less than 225 miles from the City Hall in Salt Lake City, Utah, by the shortest hard-surfaced highway distance, as determined by the market administrator;

(2) The transferring handler claims classification in Class II milk in his report;

(3) The operator of the nonpool plant maintains books and records showing the utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification; and

(4) The skim milk and butterfat in the transferred fluid milk products which are classified as Class II milk do not exceed the pro rata Class II utilization of skim milk and butterfat in the nonpool plant determined by a calculation which prorates Class II utilization of skim milk and butterfat at the nonpool plant to fluid milk products received from all plants which are subject to classification provisions of Federal milk marketing orders issued pursuant to the Act.

§ 963.43 Computation of skim milk and butterfat in each class.

For each month, the market administrator shall correct for mathematical and other obvious errors, the report submitted by each handler pursuant to § 963.30 and compute the total pounds of skim milk and butterfat, respectively, in Class I milk and Class II milk at each pool plant, in producer milk diverted, and in milk for which a cooperative association is a handler pursuant to § 963.9(c): *Provided,* That the skim milk contained in any product utilized, produced or disposed of by the handler during the month shall be considered to be an amount equivalent to the nonfat milk solids contained in such product, plus all of the water originally associated with such solids.

§ 963.44 Allocation of skim milk and butterfat at pool plants.

(a) The pounds of skim milk remaining in each class after making the following computations with respect to each pool plant shall be the pounds of skim milk in such class allocated to the producer milk received at such plant, or diverted therefrom by the plant operator, during the month:

(1) Subtract from the total pounds of skim milk in Class II milk the shrinkage of skim milk classified as Class II milk pursuant to § 963.41(b)(5);

(2) Subtract from the pounds of skim milk in Class II milk the pounds of skim milk received as other source milk not in the form of fluid milk products: *Provided,* That if the pounds of skim milk to be subtracted are greater than the pounds of skim milk in Class II milk, the balance shall be subtracted from the pounds of skim milk in Class I milk;

(3) Subtract from the pounds of skim milk in Class II milk the pounds of skim milk in other source milk in the form of fluid milk products except that to be subtracted pursuant to subparagraph (4) of this paragraph: *Provided,* That if the pounds of skim milk to be subtracted are greater than the pounds of skim milk in Class II milk, the balance shall be subtracted from the pounds of skim milk in Class I milk;

(4) Subtract from the pounds of skim milk remaining in Class II milk the pounds of skim milk in fluid milk products received from plants regulated under another order(s) issued pursuant to the Act, and classified and priced as Class I milk pursuant to such other order(s): *Provided,* That if the pounds of skim milk to be subtracted are greater than the remaining pounds of skim milk in Class II milk, the balance shall be subtracted from the pounds of skim milk

in Class I milk: *And provided further,* That if such fluid milk products are received from more than one plant regulated under another order the assignment shall be pro rata according to the amount of the skim milk received from each plant;

(5) Subtract from the pounds of skim milk remaining in Class II the pounds of skim milk contained in inventory of fluid milk products on hand at the beginning of the month: *Provided,* That if the pounds of skim milk to be subtracted are greater than the remaining pounds of skim milk in Class II milk, the balance shall be subtracted from the pounds of skim milk in Class I milk;

(6) Subtract the pounds of skim milk in fluid milk products received from pool plants of other handlers and from a cooperative association which is the handler for that milk pursuant to § 963.9(c), from the pounds of skim milk remaining in the class to which assigned, pursuant to § 963.42;

(7) Add to the pounds of skim milk remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this section; and

(8) If the pounds of skim milk remaining exceed the pounds of skim milk in producer milk, subtract such excess from the pounds of skim milk remaining in series beginning with Class II milk. Any amount so subtracted shall be called "overage";

(b) Determine the pounds of butterfat in each class to be allocated to producer milk in the manner prescribed in paragraph (a) of this section for determining the allocation of skim milk to producer milk;

(c) Add the pounds of skim milk and the pounds of butterfat in each class calculated pursuant to paragraphs (a) and (b) of this section and determine the percentage of butterfat in the producer milk allocated to each class.

§ 963.45 Shrinkage.

The market administrator shall allocate shrinkage over a handler's receipts as follows:

(a) Compute the total shrinkage of skim milk and butterfat for each handler; and

(b) For each handler prorate the resulting amounts between (1) the pounds of skim milk and butterfat in other source milk received in the form of fluid milk products, and (2) the pounds of skim milk and butterfat in other fluid milk products received (excluding diverted milk).

Minimum Prices

§ 963.50 Class prices.

Subject to the provisions of §§ 963.52 and 963.53, the class prices per hundredweight of milk to be paid by each handler shall be as follows:

(a) *Class I milk price.* The price for Class I milk per hundredweight for the first eighteen months beginning with the effective date of prices pursuant to this section shall be the basic formula price computed pursuant to § 963.51 for the previous month plus $2.20.

(b) *Class II milk price.* The price for Class II milk per hundredweight shall be computed by adding together the plus values of subparagraphs (1) and (2) of this paragraph and subtracting 52 cents.

(1) Multiply the butter price by 4.03;

(2) Multiply the powder price by 8.2.

§ 963.51 Basic formula price.

The basic formula price shall be the higher of the amounts computed pursuant to paragraph (a) or (b) of this section:

(a) The average of the basic or field prices paid or to be paid per hundredweight for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the Department:

Present Operator and Location

Borden Co., Mount Pleasant, Mich.
Carnation Co., Sparta, Mich.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Coopersville, Mich.
Borden Co., Orfordville, Wis.
Borden Co., New London, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Oconomowoc, Wis.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

(b) The price per hundredweight computed by adding together the plus values pursuant to subparagraphs (1) and (2) of this paragraph:

(1) From the simple average, as computed by the market administrator, of the daily wholesale selling prices (using the mid-point of any price range as one price) per pound of Grade A (92-score) bulk creamery butter per pound at Chicago, as reported by the Department during the month, subtract 3 cents, add 20 percent thereof, and multiply by 3.5.

(2) From the simple average, as computed by the market administrator, of the weighted averages of carlot prices per pound of nonfat dry milk, spray and roller process, respectively, for human consumption, f.o.b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceeding month through the 25th day of the current month by the Department, deduct 5.5 cents, and multiply by 8.2.

§ 963.52 Butterfat differentials to handlers.

For each class of milk containing more or less than 3.5 percent butterfat, the class prices calculated pursuant to § 963.50 shall be increased or decreased, respectively, for each one-tenth percent of butterfat by an amount computed as follows:

(a) *Class I milk.* Multiply the butter price for the preceding month by 1.35 divide the result by 10, and round to the nearest one-tenth cent.

(b) *Class II milk.* Multiply the butter price for the current month by 1.15, divide the result by 10, and round to the nearest one-tenth cent.

§ 963.53 Location differentials to handlers.

For milk which is received from producers at a pool plant, or is diverted therefrom, or is delivered by a cooperative association pursuant to § 963.9(c) to a pool plant and which is classified as Class I milk, the price computed pursuant to § 963.50(a) shall be reduced at the rate in the following schedule:

Distance (miles)	*Rate per hundredweight (cents)*
100 but not more than 110	15.0
For each additional 10 miles or fraction thereof in excess of 110	1.5

Such distance to be measured from the plant to the nearest of the city halls in Ogden, Price, Richfield, or Vernal, all in Utah: *Provided,* That for the purpose of calculating such location credit to the handler, transfers between pool plants shall be assigned to Class I milk in a volume not in excess of that by which Class I disposition at the transferee plant exceeds the receipts from producers at such plants, such assignment to transferor plants to be made first to plants at which no location credit is applicable and then in the sequence beginning with the plant at which the lowest location differential credit would apply.

§ 963.54 Use of equivalent prices.

If for any reason a price quotation required by this part for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price determined by the Secretary to be equivalent to the price which is required.

Application of Provisions

§ 963.60 Producer-handler.

Sections 963.70 through 963.74 and §§ 963.80 through 963.86 shall not apply to a producer-handler.

§ 963.61 Plants where other Federal orders may apply.

Any plant described by paragraph (a) or (b) of this section shall be exempt from § 963.11, unless the Secretary determines otherwise, if it would be fully regulated subject to the classification and pooling provisions of another order issued pursuant to the Act if not so subject to this part.

(a) Any plant which does not dispose of a greater volume of Class I milk on routes in the Great Basin marketing area than in the marketing area regulated pursuant to such other order; and

(b) Any plant which, during the months of February through July, qualifies as a pool plant pursuant to the proviso of § 963.11(b).

§ 963.62 Operators of nonpool plants.

(a) An operator of a nonpool plant which is not subject to the classification and pricing provisions of another order issued pursuant to the Act, is not the plant of a producer-handler, and is not described pursuant to the proviso of § 963.11(a), shall, on or before the 14th day after the end of the month, pay to the market administrator for deposit into the producer-settlement fund an amount calculated by multiplying the difference between the Class II price, adjusted for butterfat differential, and the Class I price, adjusted for butterfat differential and location, by the total hundredweight of fluid milk products disposed of

from such nonpool plant on routes in the marketing area during the month.

(b) A producer-handler shall, on or before the 14th day after the end of the month, pay to the market administrator for deposit into the producer-settlement fund an amount calculated by multiplying the difference between the Class II price, adjusted for butterfat differential, and the Class I price, adjusted for butterfat differential and location, by the hundredweight of Class I milk disposed of by the producer-handler in which the skim milk and butterfat exceed the totals of skim milk and butterfat, respectively, received during the month from (i) his own production, (ii) pool plants, (iii) other handlers by diversion pursuant to § 963.7, and (iv) plants under other orders issued pursuant to the Act where such skim milk or butterfat is priced and classified as Class I milk.

DETERMINATION OF PRICES TO PRODUCERS

§ 963.70 Computation of the obligation of each handler.

For each month, the market administrator shall compute the value of producer milk for each handler as follows:

(a) Multiply the quantity of producer milk in each class computed pursuant to §§ 963.40 through 963.45 by the applicable class price, total the resulting amounts, and add any amount necessary to reflect adjustments in location credit allowance required pursuant to the proviso of § 963.53;

(b) Add the amounts computed in subparagraphs (1) and (2) of this paragraph:

(1) Multiply the hundredweight of skim milk and butterfat subtracted from Class I milk pursuant to § 963.44 (a) (2) and (b) by the difference between the Class II price and the Class I price, each adjusted by the respective butterfat differentials;

(2) Multiply the hundredweight of skim milk and butterfat subtracted from Class I milk pursuant to § 963.44 (a) (3) and (b) by the difference between the Class II price, adjusted for butterfat differential, and the Class I price adjusted for butterfat differential and adjusted for location of the nearest plant(s) from which an equivalent amount of other source milk was received in the form of fluid milk products;

(c) Add the amount computed by multiplying the pounds of overage deducted from each class pursuant to § 963.44 (a) (8) and (b) by the applicable class price; and

(d) Add the amounts computed under subparagraphs (1) and (2) of this paragraph:

(1) Multiply the difference between the applicable Class II price for the preceding month and the applicable Class I price for the month by the pounds of skim milk and butterfat remaining in Class II milk after the calculations pursuant to § 963.45(a) (5) and the corresponding step of (b) for the preceding month, or the pounds of skim milk and butterfat subtracted from Class I milk pursuant to § 963.45(a) (5) and the corresponding step of (b) for the month, whichever is less;

(2) An amount computed by multiplying the difference between the Class II price adjusted for butterfat differential and the Class I price adjusted for butterfat differential and location by the pounds of skim milk and butterfat subtracted from Class I pursuant to § 963.44 (a) (5) and the corresponding step of (b), which are in excess of the sum of (i) the pounds of skim milk and butterfat, respectively, on which a payment is applicable pursuant to subparagraph (1) of this § 963.70(d), and (ii) the pounds of skim milk and butterfat assigned in the preceding month to Class II pursuant to § 963.44(a) (4) and the corresponding step of § 963.44(b).

§ 963.71 Computation of the uniform price.

The market administrator shall compute the uniform price per hundredweight of producer milk of 3.5 percent butterfat content, as follows:

(a) Combine into one total the values computed pursuant to § 963.70 for the producer milk of all handlers who submitted reports prescribed in § 963.30 and who are not in default of payments pursuant to § 963.80 and § 963.82;

(b) Subtract, if the average butterfat content of the producer milk included under paragraph (a) of this section is greater than 3.5 percent, or add, if such average butterfat content is less than 3.5 percent, an amount computed as follows: Multiply the amount by which the average butterfat content of such milk varies from 3.5 percent by the butterfat differential pursuant to § 963.72 and multiply the result by the total hundredweight of such milk;

(c) Add an amount equal to the sum of the deduction to be made from producer payments for location differentials pursuant to § 963.73;

(d) Add an amount equal to one-half of the unobligated balance on hand in the producer-settlement fund from prior periods;

(e) Divide the resulting amount by the total hundredweight of producer milk included under paragraph (a) of this section; and

(f) Subtract not less than 4 cents nor more than 5 cents to restore the balance in the producer-settlement fund. The resulting figure shall be the uniform price per hundredweight of producer milk of 3.5 percent butterfat content.

§ 963.72 Butterfat differential to producers.

The applicable uniform price to be paid each producer shall be increased or decreased for each one-tenth of one percent which the average butterfat content of his milk is above or below 3.5 percent, respectively, at the rate determined by multiplying the pounds of butterfat in producer milk allocated to each class by the appropriate butterfat differentials for such class as determined by § 963.52, dividing by the total butterfat in producer milk, and rounding to the nearest tenth of a cent.

§ 963.73 Location differentials to producers.

The applicable uniform prices to be paid for producer milk received at a pool plant shall be reduced according to the location of the pool plant at the rates set forth in § 963.53.

§ 963.74 Notification of handlers.

On or before the 12th day after the end of each month, the market administrator shall mail to each handler, at his last known address, a statement showing:

(a) The amount and value of his producer milk in each class and the total thereof;

(b) The uniform price computed pursuant to § 963.71 and the producer butterfat differential computed pursuant to § 963.72;

(c) The amounts to be paid by such handler pursuant to §§ 963.82, 963.85 and 963.86, and the amount due such handler pursuant to § 963.83.

PAYMENTS

§ 963.80 Time and method of payment for producer milk.

(a) Except as provided in paragraphs (b) or (d) of this section, each handler shall make payment to each producer from whom milk is received as follows:

(1) On or before the 17th day of the following month, an amount equal to not less than the uniform price per hundredweight pursuant to § 963.71 adjusted by the butterfat and location differentials to producers, subject to the following adjustments:

(i) Less marketing service deductions made pursuant to § 963.85;

(ii) Plus or minus adjustments for errors made in previous payments to such producer; and deductions authorized in writing by such producer: *Provided,* That if by the date specified, such handler has not received full payment from the market administrator pursuant to § 963.83 for such month, he may reduce pro rata his payments to producers by not more than the amount of such underpayment. Payments to producers shall be completed thereafter not later than the date for making payments pursuant to this paragraph next following after the receipt of the balance due from the market administrator;

(b) In the case of a cooperative association, which the market administrator determines is authorized by its members to collect payment for their milk, and which has requested such payment from any handler in writing, such handler shall on or before the second day prior to the date payments are due to individual producers, pay the cooperative association for milk received during the month from the producer-members of such association as determined by the market administrator, an amount equal to not less than the total due such producer-members as determined pursuant to paragraph (a) of this section: *Provided,* That the cooperative has provided the handler with a written promise to reimburse the handler the amount of any actual loss incurred by such handler because of any improper claim on the part of the cooperative association;

(c) Each handler who received milk from producers for which payment is to be made to a cooperative association pursuant to paragraph (b) of this sec-

tion shall report to such cooperative association for each such producer on or before the 7th day of the following month, as follows:

(1) The total pounds of milk received during the month;

(2) The pounds of milk received each day, together with the butterfat content of such milk;

(3) The amount or rate and nature of any authorized deductions to be made from payments; and

(4) The amount and nature of payments due pursuant to § 963.84.

(d) On or before the second day prior to the date payments are due individual producers, each handler shall pay a cooperative association for milk received by him from such cooperative association for which the association is the handler not less than an amount computed by multiplying the minimum prices for milk in each class, subject to the applicable location adjustment provided in § 963.53 and the butterfat differentials provided by § 963.52, by the hundredweight of milk in each class pursuant to § 963.44.

§ 963.81 Producer-settlement fund.

The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to §§ 963.62, 963.82 and 963.84 and out of which he shall make all payments pursuant to §§ 963.83 and 963.84: *Provided,* That any payments due to any handler shall be offset by any payments due from such handler.

§ 963.82 Payments to the producer-settlement fund.

On or before the 14th day after the end of each month:

(a) Each handler shall pay to the market administrator any amount by which the value of his producer milk as computed pursuant to § 963.70 is greater than the amount owed by him for such milk at the appropriate uniform price determined pursuant to § 963.71, adjusted by the producer butterfat and location differentials.

§ 963.83 Payments out of the producer-settlement fund.

On or before the 15th day after the end of each month, the market administrator shall pay to each handler any amount by which the total value of his producer milk, computed pursuant to § 963.70, is less than the amount owed by him for such milk at the uniform price adjusted by the producer butterfat and location differentials. If at such time the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the funds are available.

§ 963.84 Adjustment of accounts.

Whenever audit by the market administrator of any reports, books, records, or accounts or other verification discloses errors resulting in moneys due (a) the market administrator from a handler; (b) a handler from the market administrator; or (c) any producer or cooperative association from a handler, the market administrator shall promptly notify such handler of any account so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred.

§ 963.85 Marketing services.

(a) Except as set forth in paragraph (b) of this section, each handler, in making payments to producers for milk pursuant to § 963.80, shall deduct 6 cents per hundredweight, or such lesser amount as may be prescribed by the Secretary, and shall pay such deductions to the market administrator on or before the 15th day after the end of the month. Such money will be used by the market administrator to provide market information and to check the accuracy of the testing and weighing of their milk for producers who are not receiving such services from a cooperative association;

(b) In the case of producers who are members of a cooperative association which the Secretary has determined is actually performing the services set forth in paragraph (a) of this section, each handler shall make such deductions from the payments to be made to producers as may be authorized by the membership agreement or marketing contract between the cooperative association and its members. On or before the 15th day after the end of each month, the handler shall pay the aggregate amount of such deductions to the cooperative association, furnishing a statement showing the amount of the deductions and the quantity of milk on which the deduction was computed from each producer.

§ 963.86 Expense of administration.

On or before the 15th day after the end of each month, each handler shall pay to the market administrator 4 cents or such lesser amount as the Secretary may prescribe, for each hundredweight of butterfat and skim milk contained in:

(a) Producer milk;

(b) Other source milk allocated to Class I milk pursuant to § 963.44(a) (2) and (3) and the corresponding steps of § 963.44(b);

(c) Class I milk disposed of on routes in the marketing area from a nonpool plant.

§ 963.87 Termination of obligations.

The provisions of this section shall apply to any obligations under this part for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this order shall, except as provided in paragraphs (b) and (c) of this section, terminate 2 years after the last day of the month during which the market administrator received the handler's utilization report on the milk involved in such obligation, unless within such 2-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The months during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to a cooperative association, the names of such producer or cooperative associations, or if the obligation is payable to the market administrator, the account for which it is to be paid;

(b) If a handler fails or refuses, with respect to any obligation under this order, to make available to the market administrator or his representatives all books and records required by this order to be made available, the market administrator may, within the 2-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said 2-year period with respect to such obligation shall not begin to run until the first day of the month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representative;

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section a handler's obligation under this part to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed; and

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate 2 years after the end of the month during which the milk involved in the claim was received if an underpayment is claimed, or 2 years after the end of the month during which the payment (including deduction or offset by the market administrator) was made by the handler, if a refund on such payment is claimed unless such handler, within the applicable period of time, files, pursuant to section 8c(15)(A) of the Act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION, OR TERMINATION

§ 963.90 Effective time.

The provisions of this part, or any amendment thereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

§ 963.91 Suspension or termination.

The Secretary shall, whenever he finds that any or all provisions of this part, or any amendment thereto, obstruct or do not tend to effectuate the declared policy of the Act, terminate or suspend the operation of any or all provisions of this part or any amendment thereto.

§ 963.92 Continuing obligations.

If, upon the suspension or termination of any or all provisions of this part, or

any amendment thereto, there are any obligations thereunder, the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 963.93 Liquidation.

Upon the suspension or termination of any or all provisions of this part, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books and records of the market administrator shall be transferred promptly to such liquidating agent. If upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidating and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 963.110 Agents.

The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent and representative in connection with any of the provisions of this part.

§ 963.111 Separability of provisions.

If any provision of this part, or its application to any person or circumstances, is held invalid, the application of such provision, and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

Issued at Washington, D.C., this 2d day of July 1959.

ROY W. LENNARTSON,
Deputy Administrator.

[F.R. Doc. 59-5649; Filed, July 7, 1959; 8:50 a.m.]

[7 CFR Part 993]

HANDLING OF DRIED PRUNES PRODUCED IN CALIFORNIA

Decrease in Prune Administrative Committee's Expenses and Increase in Rate of Assessment for 1958–59 Crop Year

Notice is hereby given that, pursuant to Marketing Agreement No. 110, as amended, and Order No. 93, as amended (7 CFR Part 993), hereinafter referred to collectively as the "order", regulating the handling of dried prunes produced in California, effective under the Agricultural Marketing Agreement Act of 1937 as amended (7 U.S.C. 601–674), there is under consideration a proposed decrease in the expenses of the Prune Administrative Committee, established under the order, for the 1958–59 crop year and a related increase in the rate of assessment for that year, as hereinafter set forth. On the basis of the recommendations of the Prune Administrative Committee, (including the committee's estimate of a total assessable tonnage of prunes of 136,400 tons), and relevant matters pertaining thereto, expenses of the committee in the amount of $88,660 and an assessment rate of 65 cents for each ton of prunes received were fixed, and published in the FEDERAL REGISTER (23 F.R. 6341; 7 CFR 993.309), for the 1958–59 crop year. The committee has now unanimously recommended for such crop year a reduction in such expenses to $71,718 and a related increase from 65 cents to 75 cents per ton in the assessment rate in order to obtain sufficient funds to cover the expenses.

After the expenses and the rate of assessment were fixed for the 1958–59 crop year, it became apparent that the 1958 crop of California prunes would be considerably less than originally estimated due to unfavorable growing conditions, and that assessment income would be less than the approved total expenses of $88,660. Therefore, the committee curtailed its activities in an effort to keep expenditures within the prospective reduced assessment income. On the basis of the information and recommendation submitted by the committee and other available information, it is now estimated that for the 1958–59 crop year: (1) The assessable tonnage will approximate 95,600 tons; (2) reduced expenses in the amount of $68,138.64 are reasonable and likely to be incurred by the committee for its maintenance and functioning; (3) such expenses would be approximately $6,000 more than the committee's assessment income computed at the assessment rate of 65 cents per ton; and (4) an increased assessment rate of 72 cents per ton would provide sufficient funds to cover such expenses.

Consideration will be given to any data, views, or arguments pertaining thereto which are filed in triplicate with the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., and received not later than the close of business on the fifth day after publication of this notice in the FEDERAL REGISTER.

The proposal is to revise § 993.309 Expenses of the Prune Administrative Committee (7 CFR 993.309) in the following respects:

1. Delete from paragraph (a) thereof the sum "$88,660" and insert in lieu thereof the sum of "$68,138.64"; and

2. Delete from paragraph (b) thereof the sum "65 cents" and insert in lieu thereof the sum "72 cents".

Dated: July 2, 1959.

G. R. GRANGE,
Acting Director,
Fruit and Vegetable Division.

[F.R. Doc. 59-5648; Filed, July 7, 1959; 8:50 a.m.]

CIVIL AERONAUTICS BOARD

[14 CFR Part 241]

[Economic Regs., Docket No. 10671]

UNIFORM SYSTEM OF ACCOUNTS AND REPORTS FOR CERTIFICATED AIR CARRIERS

Requirement for Separate Reports With Respect to Domestic and International or Territorial Operations

Notice is hereby given that the Civil Aeronautics Board has under consideration a proposed amendment to Part 241 of the Economic Regulations which would (1) redesignate and redefine the categories of air transport operations thereunder, (2) change the standard abbreviations for air carrier operations, and (3) require each certificated carrier (excluding supplemental air carriers) to file certain separate reports with respect to their domestic and international or territorial operations.

The principal features of the proposed regulation are explained in the explanatory statement set forth below and the proposed amendment to Part 241 is set forth below. This regulation is proposed under authority of sections 204(a) and 407 of the Federal Aviation Act of 1958 (72 Stat. 743, 766; 49 U.S.C. 1324, 1377).

Interested persons may participate in the Proposed Rule-making through submission of seven (7) copies of written data, views, or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington 25, D.C. All relevant matter in communications received on or before August 7, 1959 will be considered by the Board before taking final action on the proposed rule. Copies of such communications will be available on or after August 10, 1959 for examination by interested persons in the Docket Section of the Board, Room 711, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

The subject notice of proposed rule making supersedes Draft Release No. 87 dated November 27, 1957. Therefore, the rule making proceeding initiated by Draft Release No. 87 is hereby terminated.

Dated: July 1, 1959.

By the Civil Aeronautics Board.

[SEAL] MABEL MCCART,
Acting Secretary.

Explanatory statement. With the recent acquisition of statehood by Alaska and the imminence of Hawaiian statehood, the Board finds that the present categories of air transport operations, i.e., domestic, foreign and overseas, as they are defined in Part 241 are no longer suitable for its accounting and statistical purposes. Therefore, such categories must be redefined. However, to avoid any inconsistency with the definition of "foreign and overseas air transportation" in the Act, it is proposed to eliminate the reference to "foreign and overseas operations" in Part 241 and to insert in lieu thereof new categories designated as "international operations" and "terri-

torial operations." In order to avoid any possible misunderstanding as to the meaning of these categories, they are defined in terms of "flight stages." A "flight stage" is defined as the single movement of the aircraft from take-off to landing.

Thus, as proposed herein, the three categories of air transport operations for the purposes of Part 241 will be domestic, international and territorial. However, as is the present practice, reports relating to international or territorial operations will be combined and reported under the category international/territorial. Each flight stage shall be reported by the certificated carriers for both their scheduled and nonscheduled services in either the domestic or international/territorial category in which it belongs.

The proposed rule also contains an amendment to the standard air carrier operation abbreviations provision of Part 241 to make it consistent with the foregoing proposed change in the designation of air transport operations categories.

In addition to the foregoing, experience indicates that the Board has not been receiving sufficient information from carriers certificated in either the domestic or the international/territorial area of operations as defined herein but conducting noncertificated service in the other area of operations concerning the traffic, income and expenses attributable to each of these operations. Consequently, the Board proposes to amend Part 241 to (1) require the certificated carriers to report the traffic and capacity elements separately for their domestic and international/territorial operations whether certificated or noncertificated, (2) require a full separation of profit and loss elements by each carrier certificated to serve in both the domestic and the international and territorial areas, and (3) require a separation of flight costs by carriers certificated in one area and performing noncertificated services in the other area when the volume of such noncertificated services exceeds five percent of the total operations in the area of certification.

This proposal will require no significant change in the present reporting of carriers certificated to engage in air transportation in both domestic and international or territorial areas of operations.

Proposed rule. It is proposed to amend Part 241 of the Economic Regulations (14 CFR Part 241).

§ 241.03 [Amendment]

a. By adding a new definition entitled "flight state" to § 241.03 to read as follows:

Flight stage. A single movement of the aircraft from takeoff to landing.

b. By deleting the present definition of "Operations, domestic" in § 241.03 and inserting in lieu thereof a new definition of "Operations, Domestic" to read as follows:

Operations, domestic. Flight stages both terminals of which are within territory of the United States and are not separated by foreign territory or major expanses of international waters, provided that (a) flight stages within the State of Alaska conducted by carriers certificated to perform services between the 48 contiguous United States and Alaska as well as within Alaska shall be considered as a "territorial operation"; (b) all flight stages in nonscheduled operations between contiguous U.S. and Canadian territories terminating at points south of the 54th parallel and all flight stages over routes with terminal points within contiguous United States and Canadian territories south of the 54th parallel shall be considered as "domestic" operations; and (c) all flight stages operated on certificated routes which would otherwise be "domestic" but over which only traffic in operations herein defined as territorial or international may be carried shall be considered as "territorial" or "international operations," respectively.

c. By deleting from § 241.03 the present definition entitled "Operations, foreign and overseas" and inserting in lieu thereof the definitions entitled "Operations, international" and "Operations, territorial" to read, respectively, as follows:

Operations, international. Flight stages which have either one or both terminals located outside United States territory including those "domestic" flight stages operated on certificated routes over which only traffic in foreign air transportation may be carried, except that flight stages over certified routes with terminal points within contiguous United States and Canadian territories south of the 54th parallel and all flight stages in nonscheduled operations between contiguous U.S. and Canadian territory terminating at points south of the 54th parallel shall be considered as "domestic operations".

Operations, territorial. Flight stages the two terminals of which are within territory of the United States and are separated by foreign territory or major expanses of international waters including those "domestic" flight stages operated on certificated routes over which only territorial traffic may be carried, and those flight stages within Alaska conducted by carriers which perform services between the 48 contiguous United States and the State of Alaska as well as within the State of Alaska.

2. By deleting the present § 241.05 and substituting in lieu thereof the following:

§ 241.05 Standard air carrier operation abbreviations.

Operation	*Abbreviation*
Domestic Passenger/Cargo:	
Trunk Lines	DT
Local Service	DL
Intra-Alaska	DA
Intra-Hawaii	DH
Domestic All-Cargo	DC
International and Territorial Passenger/Cargo:	
Atlantic Area	ITA
Central and South America Area	ITL
Pacific Area	ITP
International and Territorial All-Cargo	ITC

§ 241.21 [Amendment]

3. By deleting present § 241.21(i) and substituting in lieu thereof the following:

(i) Separate reports as specified in following sections, shall be filed for each separate operating entity of each air carrier and, in any event, shall be filed separately for domestic operations on the one hand and international/territorial operations, on the other hand, whether such operations consist of certificated or noncertificated services, as if performed by a separate entity. Under circumstances in which nonscheduled services are performed in either the domestic or the international/territorial area by air carriers certificated for operations only in the opposite area, separate balance sheet and profit and loss schedules need not be filed except that separate schedules P–5 shall be filed for each calendar quarter subsequent to any cumulative six months period in which available ton-miles in nonscheduled services, outside the area of certificated operations, exceed five percent of available ton-miles in such certificated operations. Separate Schedules T–1 and T–3 traffic and capacity statements shall be filed irrespective of the relative volumes of domestic and international/territorial operations performed, and, in the event separate Schedules T–4 are not required for the reporting of certificated services, airport activity data shall be separately reported on the single schedule for each on-line airport involved, for domestic and international/territorial operations, respectively. When so directed by the Board, as required in the national interest, any air carrier which performs nonscheduled transport services for the defense establishment of the United States shall make separate reports for such services as if they were conducted by a physically separated transport entity. Such reports shall consist of Schedules D–1, P–1, through P–9, T–1, and T–3. The letter "D" shall be inserted on such reports following the schedule number of each P and T schedule. Where a carrier has more than one reporting entity, nonscheduled transport and nonscheduled defense services shall be assigned to the reporting entity to which most closely related.

[F.R. Doc. 59–5638; Filed, July 7, 1959; 8:49 a.m.]

[14 CFR Part 242]

[Economic Regs. Docket No. 10672]

FILING OF REPORTS BY SUPPLEMENTAL AIR CARRIERS AND LARGE IRREGULAR AIR CARRIERS

Notice of Proposed Rule-Making

Notice is hereby given that the Civil Aeronautics Board has under consideration a proposed amendment to Part 242 of the Economic Regulations which would redesignate and redefine the air transport operations of the carriers covered thereunder.

The principal features of the proposed regulation are explained in the explanatory statement set forth below and the proposed amendment to Part 242 is set forth below. This regulation is proposed under authority of sections 204(a) and

407 of the Federal Aviation Act of 1958 (72 Stat. 743, 766; 49 U.S.C. 1324, 1377).

Interested persons may participate in the proposed rule-making through submission of seven (7) copies of written data, views or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington 25, D.C. All relevant matter in communications received on or before August 7, 1959, will be considered by the Board before taking final action on the proposed rule. Copies of such communications will be available on or after August 10, 1959, for examination by interested persons in the Docket Section of the Board, Room 711, Universal Building, 1825 Connecticut Avenue, NW., Washington, D.C.

Dated: July 1, 1959.

By the Civil Aeronautics Board.

[SEAL] MABEL MCCART,
Acting Secretary.

Explanatory statement. With the recent acquisition of statehood by Alaska and the imminence of Hawaiian statehood, the Board finds that the present categories of air transport operations, i.e., domestic and international, as they are defined on Schedule C of CAB—Form 242—are no longer suitable for its accounting and statistical purposes. Consequently, such categories must be redefined. Simultaneously herewith, the Board is issuing a notice of proposed rule making which would redefine the categories of air transport operations under Part 241 as "domestic," "international," and "territorial." Therefore, in the interest of uniformity, it is proposed to change the categories of air transport operations set forth on Schedule C of CAB—Form 242 to "domestic" and "international/territorial" and to define such categories in the terms of "flight stages." A "flight stage" is defined as the single movement of the aircraft from take-off to landing.

Proposed rule. It is proposed to amend Part 242 of the Economic Regulations (14 CFR Part 242) by amending Schedule C "Flight and Traffic Statistics" of CAB Form 242 by deleting the first paragraph under the instructions entitled "Domestic and International Operations" and by substituting in lieu thereof the following:

Domestic and International/territorial operations. Where the reporting carrier conducts both domestic and international/territorial operations, the carrier shall file a separate Schedule C for each such operation. Check either "Domestic" or "International/territorial" on the line under "Operations" in the heading. For this purpose, statistics in the "Domestic" schedule shall encompass all flight stages the two terminals of which are within U.S. territory and are not separated by foreign territory or major expanses of international waters and all flight stages between points in contiguous U.S. and Canadian territory south of the 54th parallel of latitude but shall not encompass those flight stages within Alaska conducted by air carriers performing services between the 48 contiguous States of the United States and the State of Alaska, as well as within the State of Alaska. Statistics in the "International/territorial" schedule shall encompass all other operations.

[F.R. Doc. 59-5637; Filed, July 7, 1959; 8:49 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 53]

CANNED TOMATOES

Standard of Identity

Notice is given that the Canners League of California, 215 Market Street, San Francisco, California, has proposed that the definition and standard of identity for canned tomatoes (21 CFR 53.40) be amended to provide for the optional use of citric acid in the food by adding to paragraph (a) of the standard a new subparagraph worded:

(—) Citric acid, in a quantity reasonably necessary to compensate for any deficiency of natural acid in the tomatoes so as to facilitate effective processing by heat, but in no case in chuch an amount that the pH of the finished canned tomatoes is thereby lowered below 4.0.

Notice is also given that the Commissioner of Food and Drugs, on his own initiative, proposes that if the standard of identity for canned tomatoes is amended to make citric acid a permitted optional ingredient then a concurrent amendment of § 53.40 should be made to require that when the optional ingredient citric acid is added the label of the canned tomatoes shall bear the statement "With added citric acid" or "Citric acid added."

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055 as amended 70 Stat. 919; 21 U.S.C. 341, 371), and the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (22 F.R. 1045, 23 F.R. 9500), all interested persons are invited to present their views in writing regarding the proposals published in this notice. Views and comments should be submitted in quintuplicate, addressed to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, Health, Education, and Welfare Building, 330 Independence Avenue SW., Washington 25, D.C., prior to the thirtieth day following the date of publication of this notice in the FEDERAL REGISTER.

Dated: July 1, 1959.

[SEAL] GEO. P. LARRICK,
Commissioner of Food and Drug.

[F.R. Doc. 59-5666; Filed, July 7, 1959; 8:58 a.m.]

NOTICES

FEDERAL AVIATION AGENCY

[Agency Order 1, Amdt. 1]

BUREAU OF NATIONAL CAPITAL AIRPORTS

Establishment of Bureau and Delegation of Final Authority

1. *Purpose.* The purpose of this amendment is to establish the Bureau of National Capital Airports, to assign its functions, to transfer management responsibility for the Washington National Airport, and to provide for management of the Washington International Airport.

2. *Establishment of Bureau.* The Bureau of National Capital Airports is hereby established within the Federal Aviation Agency. Agency Order 1 of January 15, 1959 (24 F.R. 1576), is hereby amended by:

(a) Deleting the words "Washington National Airport and" in section 4.4c and adding at the end of this section after the words "airports in Alaska; and" the phrase "provide consulting services to the Administrator, as requested, in connection with engineering, construction, improvement and maintenance of airports under the jurisdiction of the Federal Aviation Agency, and".

(b) Deleting section 5.3, and

(c) Adding section 4.5 to read as follows:

4.5 *Bureau of National Capital Airports.* The Bureau of National Capital Airports shall, within the District of Columbia or its vicinity:

a. Provide terminal airport facilities, hangar, office, commercial, maintenance, parking and ramp facilities;

b. Operate the Washington National Airport, the Washington International Airport, and such other Federally owned airports as may be brought under the jurisdiction of the Federal Aviation Agency;

c. Promulgate rules and regulations, as deemed necessary, in the interest of public safety to protect the property and conduct of persons on the premises of the facilities under the jurisdiction of the Bureau;

d. Provide and maintain space and operating facilities for air carriers and other aeronautical operations at the airports;

e. Negotiate for the Administrator, Federal Aviation Agency, and contract therefor with the airlines and other commercial activities on user charges for services, facilities, equipment, and other resources so as to assure appropriate rentals, fees, etc.; and

f. Furnish, or provide through concessionnaires, various services required by air carriers, passengers, tenants, governmental agencies, and the public using the airports.

3. *Transfers.* The functions, authorities, responsibilities, personnel, records, supplies, equipment, and all property, real, personal, and mixed, and other resources of the Washington National Airport are hereby transferred to the Bureau of National Capital Airports. Upon becoming operational as a public airport and as directed by the Administrator, the Washington International Airport shall be transferred from the Bureau of Facilities to the Bureau of National Capital Airports, together with such property, real, personal, and mixed, personnel, records, supplies, equipment, and other resources as the Administrator shall determine.

4. *Effective date.* This amendment is effective May 11, 1959. All other orders or instructions or parts thereof issued prior to the effective date of this amendment that are inconsistent or in conflict herewith are amended or superseded accordingly.

(Sec. 313(a), 303(d), 72 Stat. 752, 747; 49 U.S.C. 1354, 1344)

Issued in Washington, D.C., on July 1, 1959.

JAMES T. PYLE,
Acting Administrator.

[F.R. Doc. 59-5609; Filed, July 7, 1959; 8:45 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

OIL AND GAS LEASE OFFER

Outer Continental Shelf Off Louisiana

JULY 1, 1959.

Pursuant to section 8 of the Outer Continental Shelf Lands Act (67 Stat. 462; 43 U.S.C. sec. 1331 et seq.) and the regulations issued thereunder (43 CFR Part 201), sealed bids addressed to the Manager, Outer Continental Shelf Office, Bureau of Land Management, 1001-A Maritime Building, New Orleans, Louisiana, will be received on or before August 11, 1959, at 10:00 a.m., c.s.t., for the lease of oil and gas in certain areas of the Outer Continental Shelf, adjacent to the State of Louisiana. Bids will be opened in the Claiborne Room, Mezzanine Floor, St. Charles Hotel, 211 St. Charles Street, New Orleans, Louisiana. Bids may be delivered in person to the Office of the Manager or to the Claiborne Room between 8:30 a.m., c.s.t., and 10:00 a.m., c.s.t., August 11, 1959. Bids received by mail or delivered in person after 10:00 a.m., c.s.t., August 11, 1959, will not be considered.

All bids must be submitted in accordance with applicable regulations, particularly 43 CFR 201.20, 201.21 and 201.22. Bidders are warned against violation of section 1860, Title 18 U.S.C., prohibiting unlawful combination or intimidation of bidders. Bidders must submit with each bid one-fifth of the amount bid in cash, or by cashier's check, bank draft, certified check or money order payable to the order of the Bureau of Land Management. The leases will provide for a royalty rate of one-sixth, and a rental or minimum royalty of $10 per acre or fraction thereof. Each lease will be subject to the terms and conditions of the agreement of October 12, 1956 between the United States and the State of Louisiana.

Bids will be considered on the basis of the highest cash bonus offered for a tract but no total bid amounting to less than $25 per acre or fraction thereof will be considered. Oil payment, overriding royalty, logarithmic or sliding scale bids will not be considered. No bid for less than a full tract, as listed below, will be considered. A separate bid, in a separate sealed envelope, must be submitted for each tract. The envelope should be endorsed "Sealed bid for oil and gas lease, Louisiana, (insert number of tract), not to be opened until 10:00 a.m., c.s.t., August 11, 1959." The right is reserved to reject any or all bids. The tracts offered for bid are as follows:

Tract No.	Block	Description	Acreage
		LOUISIANA OFFICIAL LEASING MAP NO. 1	
		WEST CAMERON AREA	
La.-523 [1]	20	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,000
La.-524 [1]	25	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,250
La.-525 [1]	26	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,580
La.-526	34	S½	2,500
La.-527	68	N½	2,500
		LOUISIANA OFFICIAL LEASING MAP NO. 2	
		EAST CAMERON AREA	
La.-528 [1]	2	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,220
La.-529 [1]	9	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,050
La.-530 [1]	16	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,240
La.-531 [1]	17	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	210
La.-532 [1]	23	E½, that portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,160
La.-533 [1]	23	W½, that portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,490
La.-534	24	E½	2,500
La.-535	24	W½	2,500
		LOUISIANA OFFICIAL LEASING MAP NO. 3	
		VERMILION AREA	
La.-536 [1]	27	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	3,750
		LOUISIANA OFFICIAL LEASING MAP NO. 4	
		EUGENE ISLAND AREA	
La.-537 [1]	5	E½, that portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,330
La.-538 [1]	5	W½, that portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,150
La.-539 [1]	6	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	3,700
La.-540 [1]	7	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	2,570
La.-541 [1]	8	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	1,970
La.-542	9	N½	2,497.37
La.-543	10	N½	2,500
La.-544	11	N½	2,500
La.-545	12	N½	2,500
		LOUISIANA OFFICIAL LEASING MAP NO. 7	
		GRAND ISLE AREA	
La.-546 [1]	25	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	30
La.-547	37	E½	2,269.94

[1] These tracts are limited by the line (3 geographic miles seaward from the so-called "Chapman Line") which was defined in the Agreement of October 12, 1956 between the United States of America and the State of Louisiana, as the landward boundary of Zone 2 for the purpose of administration of the areas pending settlement of court proceedings. Until final determination of the position of the State boundary has been made, the acreage herein assigned to each tract will be considered administratively to be the acreage of that tract in Zone 2.

Tract No.	Block	Description	Acreage
		LOUISIANA OFFICIAL LEASING MAP No. 8	
		WEST DELTA AREA	
La.-548 [1]	24	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	980
La.-549 [1]	26	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	3,400
		LOUISIANA OFFICIAL LEASING MAP No. 9	
		SOUTH PASS AREA	
La.-550 [1]	27	S½, that portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	1,370
La.-551	28	S½	2,499.98
La.-552	37	N½	2,499.98
La.-553 [1]	38	N½, that portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	1,960
		LOUISIANA OFFICIAL LEASING MAP No. 10	
		MAIN PASS AREA	
La.-554	42	W½	2,497.28
La.-555 [1]	45	SE¼, that portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	1,185
La.-556 [1]	54	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	140
La.-557 [1]	55	That portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	3,790
La.-558	57	W½	2,497.28
La.-559	57	SE¼	1,248.64
La.-560	58	S½	2,497.28
La.-561 [1]	66	NE¼, that portion in Zone 2, as that zone is defined in the agreement between the United States and the State of Louisiana, Oct. 12, 1956.	330

Bidders are requested to submit their bids in the following form:

Manager.
Outer Continental Shelf Office.
Bureau of Land Management.
Department of the Interior.
1001-A Maritime Building.
203 Carondelet Street.
New Orleans, La.

OIL AND GAS BID

The following bid is submitted for an oil and gas lease on land of the Outer Continental Shelf specified below:
Area ---------- Official Leasing Map No. ------

Tract No.	Total amount bid	Amount per acre	Amount submitted with bid

---------- (Signature)
---------- (Address)

Important: The bid must be accompanied by one-fifth of the total amount bid. This amount may be in cash, money order, cashier's check, certified check, or bank draft.

A separate bid must be made for each tract.

EDWARD WOOZLEY,
Director.

[F.R. Doc. 59-5614; Filed, July 7, 1959; 8:46 a.m.]

Fish and Wildlife Service

BRISTOL BAY, ALASKA

Announcement of Units of Fishing Gear

In accordance with 50 CFR 104.9(c), announcement is made of the total number of units of gear registered for use in the salmon fishing districts of Bristol Bay as of 6 p.m. Friday, July 3, 1959 for the week ending July 12, 1959, as follows:

	Units
Kvichak-Naknek	149
Nugashak	294
Egegik	60
Ugashik	50

Dated: July 6, 1959.

A. W. ANDERSON,
Acting Director, Bureau of Commercial Fisheries.

[F.R. Doc. 59-5682; Filed, July 6, 1959; 4:33 p.m.]

DEPARTMENT OF THE TREASURY

Coast Guard

[CGFR 59-19]

EQUIPMENT, INSTALLATIONS, OR MATERIALS, AND CHANGE IN NAME AND ADDRESS OF MANUFACTURERS

Approval and Termination of Approval; Amendments of Prior Documents

Correction

In F.R. Doc. 59-5143, appearing at page 5024 of the issue for Saturday, June 20, 1959, the following changes should be made:

1. On page 5027, in the table under Approval No. 162.001/14371, the last Type No. in the column should be "1415NC".

2. On page 5028, in the second line under the heading Fire Extinguishers, Portable, Hand, Chemical Foam Type, "Symbol GS" should read "Symbol GE".

3. On page 5030, in the second and fifth paragraphs, "The Bastion-Blessing Co." should read "The Bastian-Blessing Co.".

4. On page 5030, in the paragraph under the heading Deck Coverings, "Johns-Mansville" should read "Johns-Manville".

ATOMIC ENERGY COMMISSION

[Docket No. 50-139]

UNIVERSITY OF WASHINGTON

Notice of Application for Construction Permit and Utilization Facility License

Please take notice that University of Washington, Seattle, Washington, under section 104c of the Atomic Energy Act of 1954, has submitted an application dated June 1, 1959 for license authorizing construction and operation on the University's campus, of a 10 kilowatt thermal nuclear reactor. The reactor will be a heterogeneous, light water-moderated and -cooled graphite-reflected training reactor of the Argonaut type. AMF Atomics, Greenwich, Connecticut will install the reactor for the applicant. A copy of the application is on file in the AEC's Public Document Room, 1717 H Street NW., Washington, D.C.

Dated at Germantown, Md., this 30th day of June 1959.

For the Atomic Energy Commission.

R. L. KIRK,
Deputy Director, Division of Licensing and Regulation.

[F.R. Doc. 59-5608; Filed, July 7, 1959; 8:45 a.m.]

FEDERAL POWER COMMISSION

[Docket No. E-6889]

PACIFIC POWER & LIGHT CO.

Notice of Application

JUNE 29, 1959.

Take notice that on June 22, 1959, an application was filed with the Federal Power Commission pursuant to section 204 of the Federal Power Act by Pacific Power & Light Company ("Applicant"), a corporation organized under the laws of the State of Maine and doing business in the States of Oregon, Washington, Wyoming, Montana and Idaho, with its principal business office at Portland, Oregon, seeking an order authorizing the issuance of $10,996,000 in principal amount of Convertible Debentures. The _____ percent Convertible Debentures, due 1974, will be issued by Applicant under an appropriate indenture, to be dated as of September 1, 1959, between Applicant and The Chase Manhattan Bank, as Trustee. The Debentures are to be initially offered to the common stockholders of Applicant for subscription, and any debentures not subscribed for pursuant to said subscription offer are to be sold to underwriters at competitive bidding. The Debentures are to

be convertible into common stock of Applicant at a conversion price of $_____ per share, payable by surrender of $100 principal amount of debentures and $_____ in cash for each three shares of Applicant's common stock. The conversion price and cash price for the aforesaid three shares will be supplied by amendment to this application. Following the issuance and sale of the Debentures, an aggregate of 329,880 shares of Applicant's common stock will become issuable upon the conversion of the Debentures. Holders of common stock of Applicant will receive a transferrable subscription warrant expressed in terms of rights. Holders of such warrants, which will have a life of not less than 20 days, will be entitled to subscribe for the Debentures at a price of 100 percent of the principal amount thereof at the rate of $100 principal amount of Debentures for each 40 rights evidenced by their warrants. The proceeds from the issuance and sale of the Debentures, together with cash presently on hand and to be internally generated, will be used by Applicant in completing its construction program for the year 1959 and in supplying funds for starting its construction program for 1960.

Any person desiring to be heard or to make any protest with reference to said application should, on or before the 20th day of July 1959, file with the Federal Power Commission, Washington 25, D.C., petitions or protests in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). The application is on file and available for public inspection.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 59-5611; Filed, July 7, 1959; 8:45 a.m.]

[Docket No. G-18872]

THREE STATES NATURAL GAS CO.

Order for Hearing and Suspending Proposed Changes in Rates

JUNE 30, 1959.

Three States Natural Gas Company (Three States) on May 29, 1959, tendered for filing proposed changes in its presently effective rate schedules for sales of natural gas subject to the jurisdiction of the Commission. The proposed changes, which constitute increased rates and charges, are contained in the following designated filings:

Description: Notices of change, undated.
Purchaser: El Paso Natural Gas Company.
Rate schedule designation: Supplement No. 7 to Three States' FPC Gas Rate Schedule No. 8. Supplement No. 7 to Three States' FPC Gas Rate Schedule No. 9. Supplement No. 5 to Three States' FPC Gas Rate Schedule No. 10. Supplement No. 6 to Three States' FPC Gas Rate Schedule No. 11.
Effective date: July 1, 1959.

The increased rates and charges so proposed have not been shown to be justified and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the proposed changes and that Supplements No. 7 to Three States' FPC Gas Rate Schedules Nos. 8 and 9, respectively; Supplement No. 5 to Three States' FPC Gas Rate Schedule No. 10; and Supplement No. 6 to Three States' FPC Gas Rate Schedule No. 11 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing shall be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rates and charges contained in Supplements No. 7 to Three States' FPC Gas Rate Schedules Nos. 8 and 9, respectively; Supplement No. 5 to Three States' FPC Gas Rate Schedule No. 10; and Supplement No. 6 to Three States' FPC Gas Rate Schedule No. 11.

(B) Pending the hearing and decision thereon, these supplements are each hereby suspended and the use thereof deferred until December 1, 1959, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplements hereby suspended nor the rate schedules sought to be altered thereby shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37(f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37(f)).

By the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 59-5612; Filed, July 7, 1959; 8:45 a.m.]

[Docket No. G-14871 etc.]

TRANSWESTERN PIPELINE CO. ET AL.

Notice of Oral Argument

JULY 1, 1959.

Notice is hereby given that oral argument in these matters will be heard before the Commission on July 14, 1959, at 10:00 a.m., e.d.s.t., in a hearing room of the Federal Power Commission at Washington, D.C. Parties desiring to present oral argument shall notify the Secretary in writing on or before July 7, of their intention to do so and the allotment of time desired for such purpose.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 59-5613; Filed, July 7, 1959; 8:45 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 10569]

AIR-INDIA INTERNATIONAL

Notice of Prehearing Conference

Notice is hereby given pursuant to the Federal Aviation Act of 1958, that a prehearing conference on that portion of the above-entitled application covering service between India and New York on route 1 is assigned to be heard on July 17, 1959, at 10:00 a.m., e.d.s.t., in Room 911, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner John A. Cannon.

Dated at Washington, D.C., July 2, 1959.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 59-5639; Filed, July 7, 1959; 8:50 a.m.]

GENERAL SERVICES ADMINISTRATION

[Delegation of Authority 336, Revocation]

SPECIAL ASSISTANT TO THE ADMINISTRATOR (NICARO PROJECT)

Revocation of Delegation of Authority To Manage Nicaro Nickel Project in Cuba

JULY 3, 1959.

Pursuant to the authority contained in the Federal Property and Administrative Services Act of 1949 (63 Stat. 377; 40 U.S.C. 471–514, 41 U.S.C. 251–260), the Defense Production Act of 1950 (64 Stat. 798; 50 U.S.C. App. 2061–2166), the National Industrial Reserve Act of 1948 (62 Stat. 1255, 50 U.S.C. 451–462), and Executive Order No. 10480 (18 F.R. 4939), all as amended, Delegation of Authority No. 336, dated April 22, 1958 (23 F.R. 2996), is hereby revoked.

FRANKLIN FLOETE,
Administrator of General Services.

[F.R. Doc. 59-5716; Filed, July 7, 1959; 12:28 p.m.]

HOUSING AND HOME FINANCE AGENCY

Public Housing Administration

ASSISTANT DIRECTOR, MORTGAGE BRANCH

Delegations of Final Authority

Section II, Delegations of Final Authority, is amended as follows:

Paragraphs D9 and E7 are amended by adding to the list of officials shown therein:

Assistant Director of the Mortgage Branch.

Approved: June 26, 1959.

CHARLES E. SLUSSER,
Commissioner.

[F.R. Doc. 59-5583; Filed, July 6, 1959; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-2645]

F. L. JACOBS CO.

Order Summarily Suspending Trading

JUNE 30, 1959.

I. The common stock, $1.00 par value, of F. L. Jacobs Co. is registered on the New York Stock Exchange and admitted to unlisted trading privileges on the Detroit Stock Exchange, national securities exchanges, and

II. The Commission on February 11, 1959, issued its order and notice of hearing under section 19(a)(2) of the Securities Exchange Act of 1934 to determine at a hearing beginning March 16, 1959, whether it is necessary or appropriate for the protection of investors to suspend for a period not exceeding twelve months, or to withdraw, the registration of the capital stock of F. L. Jacobs Co. on the New York Stock Exchange and Detroit Stock Exchange for failure to comply with section 13 of the Act and the rules and regulations thereunder.

On June 19, 1959, the Commission issued its order summarily suspending trading of said securities on the exchanges pursuant to section 19(a)(4) of the Act for the reasons set forth in said order to prevent fraudulent, deceptive or manipulative acts or practices for a period of ten days ending June 30, 1959.

III. The Commission being of the opinion that the public interest requires the summary suspension of trading in such security on the New York Stock Exchange and Detroit Stock Exchange and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the further opinion that such suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices, trading in the stock of F. L. Jacobs Co. will be unlawful under section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's Rule 240.15c2-2 (17 CFR 240.15c2-2) thereunder for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of such security, otherwise than on a national securities exchange.

It is ordered, Pursuant to section 19(a)(4) of the Securities Exchange Act of 1934 that trading in said security on the New York Stock Exchange and Detroit Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive or manipulative acts or practices, this order to be effective for a period of ten (10) days, July 1, 1959 to July 10, 1959, inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-5620; Filed, July 7, 1959; 8:47 a.m.]

[File No. 7-2000]

SWIFT & CO.

Notice of Application for Unlisted Trading Privileges, and of Opportunity for Hearing

JULY 1, 1959.

The above named stock exchange, pursuant to section 12(f)(2) of the Securities Exchange Act of 1934 and Rule 12f-1 promulgated thereunder, has made application for unlisted trading privileges in the specified security, which is listed and registered on the New York Stock Exchange and Midwest Stock Exchange.

Upon receipt of a request, on or before July 15, 1959, from any interested person, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person making the request and the position he proposes to take at the hearing. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official file of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-5621; Filed, July 7, 1959; 8:47 a.m.]

SMALL BUSINESS ADMINISTRATION

[Delegation of Authority 30-V-9 (Revision 1)]

CHIEF, LOAN PROCESSING SECTION, FINANCIAL ASSISTANCE DIVISION

Delegation Relating to Financial Assistance Functions

I. Pursuant to the authority delegated to the Chief, Financial Assistance Division, by Delegation of Authority No. 30-V-1 (Revision 1), as amended, 23 F.R. 3085, 24 F.R. 3554), and further amended April 20, 1959, there is hereby redelegated to the Chief, Loan Processing Section, the following authority:

A. *Specific—Financial assistance.* To take the following actions in accordance with the limitations of such delegations set forth in SBA-500, Financial Assistance Manual:

1. To approve the following types of loans:

a. Direct business loans in an amount not exceeding $20,000;

b. Participation business loans in an amount not exceeding $100,000; and

2. To approve disaster loans in an amount not exceeding $50,000.

3. To decline original applications but not reconsiderations of disaster loans.

4. To approve but not decline Limited Loan Participation loans.

5. To execute loan authorizations for Washington approved loans and for all loans approved under delegated authority, said execution to read as follows:

WENDELL B. BARNES,
Administrator,
By ----------
Chief,
Loan Processing Section.

6. To modify or amend authorizations for business or disaster loans approved by the Administrator, the Deputy Administrator for Financial Assistance, the Director, Office of Loan Processing, or the Chairman, Loan Review Board, by the issuance of Certificates of Modification, and to modify or amend authorizations for loans approved under delegated authority in any manner consistent with the original authority to approve loans.

7. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

8. To reinstate any loan authorization cancelled prior to the first disbursement within six months from the date of the original authorization, providing that no adverse change has occurred since the loan application was approved.

9. To cancel wholly or in part undisbursed balances of partially disbursed loans and deferred participation agreements, where the Administration has not purchased its participation.

10. To approve, after disbursement or partial disbursement, the salary of new employees, not to exceed $10,000 per annum.

11. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents and certify to the participating bank that such documents are in compliance with the participation authorization.

Administrative. 12. To approve annual and sick leave for employees under his supervision.

B. *Correspondence.* To sign all non-policy-making, routine correspondence, except Congressional correspondence, relating to the loan processing functions of the regional financial assistance program.

II. The authority delegated herein may not be redelegated with the exception of I.B.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Chief, Loan Processing Section, FAD.

IV. All previous authority delegated by the Chief, Financial Assistance Division is hereby rescinded without prejudice to actions taken under all such delegation of authority prior to the date hereof.

Dated: April 20, 1959.

GEORGE H. GAFFNEY,
Chief, Financial Assistance Division, Region V, Atlanta Regional Office.

[F.R. Doc. 59-5622; Filed, July 7, 1959; 8:47 a.m.]

[Delegation of Authority 30–VIII–1 (Revision 1), Amdt. 2]

CHIEF, FINANCIAL ASSISTANCE DIVISION

Delegation Relating to Financial Assistance Functions

Delegation of Authority No. 30–VIII–1 (Revision 1), as amended (22 F.R. 6390, 24 F.R. 1673) is hereby further amended by deleting section II in its entirety, and substituting the following in lieu thereof:

II. The authority delegated in I.B. and I.C. may be redelegated.

Dated: June 12, 1959.

ROBERT C. ALM,
Regional Director,
Minneapolis Regional Office.

[F.R. Doc. 59–5623; Filed, July 7, 1959; 8:47 a.m.]

[Delegation of Authority 30–VIII–12]

BRANCH MANAGER, FARGO, NORTH DAKOTA

Delegation Relating to Financial Assistance, Procurement and Technical Assistance, and Administrative Functions

I. Pursuant to the authority vested in the Regional Director by Delegation No. 30 Revision 4), as amended 22 F.R. 5811, 8197, 23 F.R. 557, 1768, 8435), there is hereby delegated to the Branch Manager, Fargo, North Dakota, Branch Office, Small Business Administration, the following authority:

A. *Specific—Financial assistance.* To take the following actions in accordance with the limitations of such delegations as set forth in SBA–500, Financial Assistance Manual:

1. To approve the following types of loans:

(a) Direct business loans in an amount not exceeding $10,000.

(b) Participation business loans in an amount not exceeding $50,000.

2. To approve disaster loans in an amount not exceeding $20,000.

3. To decline disaster loans.

4. To approve or decline Limited Loan Participation loans.

5. To enter into Disaster Participation Agreements with banks.

6. To execute loan authorizations for Washington approved loans and for loans approved under delegated authority, said execution to read as follows:

WENDEL B. BARNES,
Administrator,
By ----------
Branch Manager.

7. To modify or amend authorizations for business or disaster loans approved under delegated authority in any manner consistent with the original authority to approve loans.

8. To approve, after disbursement or partial disbursement, the salary of new employees, not to exceed $10,000 per annum.

9. To take the following actions in all loans except those loans classified as "problem loans" or "in liquidation":

(a) Extend to the maturity of a loan or to a date prior to the maturity, one monthly principal payment in any calendar year, and not more than a total of four such payments during the term of the loan, or one quarterly principal installment payment during the term of the loan, for loans with principal balances not exceeding $100,000.

(b) Carry loans which are delinquent or past due not more than three months in such status for an additional period of not more than six months when the principal balances of such loans do not exceed $100,000.

(c) Extend the maturity of loans (within the statutory limitations) when the principal balances of such loans do not exceed $100,000.

(d) Approve or decline requests for changes in the repayment terms of notes for loans with principal balances not exceeding $100,000.

(e) Waive amounts due under net earnings clause.

(f) Approve requests to exceed fixed assets limitations and waive violations of this limitation.

(g) Approve payment of cash or stock dividends, payment of bonuses, increases in salaries, employment of new personnel, and waivers of violation of salary and bonus limitations, provided the Regional Director considers the bonuses and/or salary to be paid reasonable and that consent will not be given to any such payment if the payment will impair the borrower's cash position and if the loan is not current in all respects at the time the payment is made.

(h) Approve changes in use of loan proceeds in connection with partially disbursed loans.

(i) Waive violations of agreements to maintain working capital of a specified amount.

10. To do and to perform all and every act and thing requisite, necessary and proper to be done for the purpose of effecting the servicing, administration and liquidation of any disaster loan including, without limiting the generality of the foregoing, all powers, terms, conditions and provisions as authorized herein for other loans. Said powers, terms, conditions and provisions shall apply to all documents, agreements or other instruments heretofore or hereafter executed in connection with any loan included in the above functions where such documents, agreements or other instruments are now, or shall be hereafter, in the name of the Reconstruction Finance Corporation or the Small Business Administration.

11. To take the following actions in the administration, collection and liquidation of business or disaster loans:

(a) Approve or reject substitutions of accounts receivable and inventories.

(b) Release or consent to the release of inventories, accounts receivable or cash collateral, real or personal property, offered as collateral on loan, including the release of all collateral when loan is paid in full.

(c) Release dividends on life insurance policies held as collateral for loans, approve the application of same against premiums due; release or consent to the release of insurance funds not exceeding $1,000 covering loss or damage to property securing the loan and expired hazard insurance policies.

(d) Approve the sale of real or personal property and the exchange of equipment held as collateral on loans, providing sale proceeds are applied as special principal payment.

(e) Defer until final maturity date payments on principal falling due prior to or within thirty days after initial disbursement and provide for the coincidence of principal and interest payments.

(f) Designate proxies to vote at stockholders' meetings on stock held as collateral, and determine how such shares are to be voted.

(g) Reinstate terms of payment provided in the borrower's note upon cancellation of authority to foreclose, termination of litigation, or correction of any other situation which caused the loan to be classified as a problem loan.

(h) Effect the purchase of the Administration's agreed portion of a participation loan upon the request of the participating institution, consent to the sale to another institution of the SBA portion of a participation loan, and to cancel any deferred participation agreement upon request of the institution.

12. To extend, or consent to the extension of, the maturity date of time of payment, to change, or consent to the change of, the rate of interest, and otherwise alter or modify, or consent to the alteration or modification of, any note, bond, mortgage or other evidence of indebtedness, and any contract for the sale or lease of real or personal property.

13. To accept and join with others in the acceptance of resignations of trustees under declarations of trust, trust indentures, deeds of trust and other trust instruments and agreements under which the Small Business Administration or its Administrator is a beneficiary and where the Small Business Administration or its Administrator now or hereafter is a holder of any note, notes, bond, bonds, instrument or instruments issued pursuant thereto and secured thereby.

14. To remove and join with others in the removal of any trustee or trustees under any declarations of trust, trust indentures, deeds of trust and other trust instruments and agreements under which the Small Business Administration or its Administrator now or hereafter is a beneficiary and where the Small Business Administration or its Administrator now or hereafter is the holder of any note, notes, bond, bonds, instrument or instruments issued pursuant thereto and secured thereby.

15. To select and designate persons or corporations as original, substitute or successor trustees under declarations of trust, trust indentures, deeds of trust or other trust instruments or agreements under which the Small Business Administration or its Administrator now or hereafter is a beneficiary and where the Small Business Administration or its Administrator now or hereafter is the

holder of any note, bond or instrument issued pursuant thereto and secured thereby to accept on behalf of the Small Business Administration or its Administrator beneficial interest in real or personal property.

16. To appoint, consent to or approve the appointment and join with others in the appointment, consent or approval of appointment of substitute and successor trustee or trustees under any declarations of trust, trust indentures, deeds of trust and other trust instruments and agreements under which the Small Business Administration or its Administrator now or hereafter is a beneficiary and where the Small Business Administration or its Administrator now or hereafter is the holder of any note, notes, bond, bonds, instrument or instruments issued pursuant thereto and secured thereby.

17. To do and to perform all and every act and thing requisite, necessary and proper to be done for the purpose of effecting the granted powers, including, but without limiting the generality of the foregoing, the execution and delivery of quit claim, bargain and sale or special warranty deeds, leases, subleases, assignments, subordinations, satisfaction pieces, affidavits, and such other documents as may be appropriate or necessary to effectuate the foregoing, and ratifying and confirming all that said Regional Director shall lawfully do or cause to be done by virtue hereof.

18. To take peaceable custody of collateral, as mortgagee in possession thereof or otherwise, whenever such action becomes necessary to protect the interests of or a loan made by SBA; to take all steps necessary for the preservation and protection of the property, pending foreclosure of the lien and sale of the collateral; and, to obligate the Administration in an amount not in excess of a total of $1,000 for any one loan, for those expenditures as may be required to accomplish these purposes.

19. To enter into written arrangements with custodians or caretakers of collateral covering their services, which shall not have the effect of making such persons employees of SBA but shall be limited to their temporary services for the specific purpose involved.

20. To enter into written arrangements with owners of premises, when it is necessary to use a building not part of the loan collateral for the storage of chattels pending foreclosure and sale for a period of not more than 90 days, including a period of 10 days after the date of sale of the collateral to permit orderly removal of the property from the premises.

21. To post indemnity or other bonds in proceedings in cases where such undertakings are required by State Law.

22. To foreclose, by summary foreclosure proceedings where State Law permits and in accordance with such State Laws, in whole or in part, any chattel mortgage, real estate mortgage, deed of trust, security deed or collateral whatsoever kind or nature, securing any note, bond or other evidence of indebtedness now held or hereafter acquired by the Small Business Administration or its Administrator as pledgee, owner or otherwise, and to exercise any right or authority which the Small Business Administration or its Administrator has or may have pursuant to the terms of such security instrument or evidence of indebtedness, and to assign all the right, title and interest of the Small Business Administration or its Administrator in and to any terms of sale or bid made at any such foreclosure sale.

Procurement and Technical Assistance. 23. To develop with government procurement agencies required local procedures for implementing established inter-agency policy agreements, including but not limited to steps such as determining joint set-asides and representation at procurement centers.

Administrative. 24. To administer oaths of office.

25. To approve annual and sick leave for employees under his supervision.

26. To administratively approve all types of vouchers, invoices and bills submitted by public creditors of the Agency for articles or services rendered.

27. To (a) authorize or approve official travel and (b) administratively approve travel reimbursement claims.

28. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

B. *Correspondence.* To sign all correspondence, including Congressional correspondence, relating to the functions of the Branch Office.

II. The specific authority delegated in I.A., except I.A.23, and I.B. may not be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Branch Manager.

Dated: June 22, 1959.

ROBERT C. ALM,
Regional Director,
Minneapolis Regional Office.

[F.R. Doc. 59-5624; Filed, July 7, 1959; 8:48 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 25]

APPLICATIONS FOR MOTOR CARRIER "GRANDFATHER" CERTIFICATE OR PERMIT

JULY 2, 1959.

The following applications and certain other procedural matters relating thereto are filed under the "grandfather" clause of section 7(c) of the Transportation Act of 1958. These matters are governed by special rule § 1.243 published in the FEDERAL REGISTER issue of January 8, 1959, page 205, which provides, among other things, that this publication constitutes the only notice to interested persons of filing that will be given; that appropriate protests to an application (consisting of an original and six copies each) must be filed with the Commission at Washington, D.C., within 30 days from the date of this publication in the FEDERAL REGISTER; that failure to so file seasonably will be construed as a waiver of opposition and participation in such proceeding, regardless of whether or not an oral hearing is held in the matter; and that a copy of the protest also shall be served upon applicant's representative (or applicant, if no practitioner representing him is named in the notice of filing).

These notices reflect the operations described in the applications as filed on or before the statutory date of December 10, 1958.

No. MC 119023, filed December 10, 1958. Applicant: H. R. EASON, doing business as EASON'S BANANA TRANSFER, 6233 Elgin Road, Norfolk, Va. Grandfather authority sought under section 7 of the Transportation Act of 1958 to continue to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Bananas*, from New York, N.Y., Philadelphia, Pa., Charleston, S.C., and Baltimore, Md., to Norfolk, Va.

By the Commission.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F.R. Doc. 59-5626; Filed, July 7, 1959; 8:48 a.m.]

[Notice 91]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

JULY 2, 1959.

The following letter-notices of proposals to operate over deviation routes for operating convenience only with service at intermediate points have been filed with the Interstate Commerce Commission, under the Commission's Deviation Rules Revised, 1957 (49 CFR 211.1(c)(8)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 211.1(d)(4)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 211.1(e)) at any time but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Deviation Rules Revised, 1957, will be numbered consecutively for convenience in identification and protests if any should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC 6945 (Deviation No. 1), THE NATIONAL TRANSIT CORPORATION, 1687 West Fort Street, Detroit 16, Mich., filed June 22, 1959. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route, between Maumee, Ohio and Saginaw, Mich., as follows: from Maumee over U.S. Highway 23 to junction U.S. Highway 10, approximately 6 miles south of Saginaw, and thence over U.S. Highway 10 to Saginaw and return over the

same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities over the following pertinent route: From Bay City, Mich., over U.S. Highway 23 to Saginaw, Mich., thence over U.S. Highway 10 via Pontiac, Mich., to Detroit, Mich., thence over U.S. Highway 25 via Toledo, Dayton and Cincinnati, Ohio to Covington, Ky. (also from Pontiac, Mich., over U.S. Highway 24 to Toledo, also from Dayton over Ohio Highway 4 to Cincinnati), and return over the same route.

No. MC 13123 (Deviation No. 4), WILSON FREIGHT FORWARDING CO., 3636 Follett Avenue, Cincinnati 23, Ohio, filed June 24, 1959. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route, between New Haven, Conn., and Boston, Mass., as follows: From New Haven over the Connecticut Turnpike and access routes to gate 90 of said Turnpike, over a connecting route to Danielson, Conn., thence over Connecticut Highway 12 to junction Connecticut Highway 21, thence over Connecticut Highway 21 to junction Connecticut Highway 193, thence over Connecticut Highway 193 to junction Connecticut Highway 12, thence over Connecticut Highway 12 to gate 10 of the Massachusetts Turnpike, thence over the Massachusetts Turnpike and access routes to Boston and return over the same route, for operating convenience only, serving no intermediate points. The notice indicates that the carrier is presently authorized to transport the same commodities between New Haven and Boston over U.S. Highway 1.

By the Commission.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 59-5627; Filed, July 7, 1959; 8:48 a.m.]

[Notice 277]

MOTOR CARRIER APPLICATIONS

JULY 2, 1959.

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers or brokers under sections 206, 209 and 211 of the Interstate Commerce Act and certain other proceedings with respect thereto.

All hearings will be called at 9:30 o'clock a.m., United States standard time (or 9:30 o'clock a.m., local daylight saving time), unless otherwise specified.

APPLICATIONS ASSIGNED FOR ORAL HEARING OR PRE-HEARING CONFERENCE

MOTOR CARRIERS OF PROPERTY

No. MC 30837 (Sub No. 261), filed June 29, 1959. Applicant KENOSHA AUTO TRANSPORT CORPORATION, an Ohio corporation, 4519 76th Street, Kenosha, Wis. Applicant's attorney: Paul F. Sullivan, Sundial House, 1825 Jefferson Place NW., Washington, D.C. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Automobiles, trucks* and *buses*, excluding trailers, as defined in *Descriptions of Motor Carrier Certificates*, Ex Parte MC-45, in initial movements in truckaway service, from points in Orange County, Calif., to points in the United States. Applicant is authorized to conduct operations throughout the United States.

HEARING: July 23, 1959, at the Federal Building, Los Angeles, Calif., before Examiner Reece Harrison.

MOTOR CARRIER OF PASSENGERS

No. MC 1800 (Sub No. 25), filed January 5, 1959. Applicant: ALEXANDRIA, BARCROFT & WASHINGTON TRANSIT COMPANY, doing business as A.B. & W. TRANSIT CO., 600 North Royal Street, Alexandria, Va. Applicant's attorney: S. Harrison Kahn, 726-34 Investment Building, Washington, D.C. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers and their baggage, and express, newspapers, and mail* in the same vehicle with passengers, (1) Between Alexandria, Va., and the Andrews Air Force Base, Prince Georges County, Md., from the intersection of Mount Vernon Memorial Boulevard and proposed Woodrow Wilson Bridge (Jones Point Bridge) Approach, thence over Woodrow Wilson Bridge (Jones Point Bridge), thence over proposed Washington Circumferential Highway to Andrews Air Force Base, and return over the same route, serving all intermediate points, and (2) Between Washington, D.C., and Alexandria, Va. (a) from the intersection of Mount Vernon Memorial Boulevard and Woodrow Wilson Bridge (Jones Point Bridge) Approach, thence over Woodrow Wilson Bridge to its intersection with proposed Anacostia Freeway, thence over proposed Anacostia Freeway to Washington, D.C., and return over the same route, serving all intermediate points. (b) from Mount Vernon Memorial Boulevard and Woodrow Wilson Bridge (Jones Point Bridge) Approach, thence over Woodrow Wilson Bridge (Jones Point Bridge), thence over proposed Washington-Circumferential Highway to its intersection with Indianhead Highway, thence over Indianhead Highway to Washington, D.C., and return over the same route, serving all intermediate points. Applicant is authorized to conduct operations in Virginia, and the District of Columbia.

HEARING: September 1, 1959, at the Offices of the Interstate Commerce Commission, Washington, D.C., before Joint Board No. 68.

APPLICATIONS IN WHICH HANDLING WITHOUT ORAL HEARING IS REQUESTED

MOTOR CARRIERS OF PROPERTY

No. MC 66562 (Sub No. 1514), filed June 26, 1959. Applicant: RAILWAY EXPRESS AGENCY, INCORPORATED, 219 East 42d Street, New York 17, N.Y. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities, including Class A and B explosives*, moving in express service, between St. Paul, Minn., and Fort Dodge, Iowa: from St. Paul southwest over Minnesota Highway 13 to junction Minnesota Highway 101, thence west over Minnesota Highway 101 to junction U.S. Highway 212, thence southwest over U.S. Highway 212 to junction Minnesota Highway 41, thence southeast over Minnesota Highway 41 to junction U.S. Highway 169, thence southwest over U.S. Highway 169 to junction Minnesota Highway 21, thence southeast over Minnesota Highway 21 to junction Minnesota Highway 13, thence southeast over Minnesota Highway 13 to junction U.S. Highway 69, thence southwest over U.S. Highway 69 to junction Iowa Highway 9, thence west over Iowa Highway 9 to junction Iowa Highway 250, thence south over Iowa Highway 250 to Lakota, Iowa, and return over the same route to Iowa Highway 9, thence west over Iowa Highway 9 to Armstrong, Iowa, thence east over Iowa Highway 9 to junction U.S. Highway 169, thence south over U.S. Highway 169 to Fort Dodge, Iowa, thence north over U.S. Highway 169 to junction Iowa Highway 222, thence east and north over Iowa Highway 222 to junction Iowa Highway 60, thence north over Iowa Highway 60 to junction Iowa Highway 256, thence east over Iowa Highway 256 to Corwith, Iowa, and return to Iowa Highway 60 over the same route, thence north over Iowa Highway 60 to junction U.S. Highway 18, thence east over U.S. Highway 18 to junction U.S. Highway 69, thence north over U.S. Highway 69 to junction Minnesota Highway 13, thence north over Minnesota Highway 13 to junction U.S. Highway 14, thence east over U.S. Highway 14 to Owatonna, Minn., and thence north over Minnesota Highway 218 to St. Paul, serving the intermediate points of Chaska, Jordan, New Prague, Montgomery, Kilkenny, Waterville, Waseca, New Richland, Hartland, Emmons, Owatonna, Faribault, Northfield, and Rosemount, Minn., and Lake Mills, Forest City, Thompson, Buffalo Center, Lakota, Swea City, Armstrong, Bancroft, Humboldt, Badger, Livermore, Lu Verne, Corwigh, and Leland, Iowa. RESTRICTIONS: The service to be performed by applicant shall be limited to that which is auxiliary to, or supplemental of, air or railway express service. Shipments transported shall be limited to those moving on through bills of lading or express receipts, covering, in addition to a motor carrier movement by applicant, an immediately prior or an immediately subsequent movement by rail or air. Applicant is authorized to conduct operations throughout the United States.

NOTE: Applicant states the intermediate railheads of Albert Lea, Minn., and Algona and Britt, Iowa, to be utilized for the transfer of traffic to and from rail service where such transfer would expedite the movement of the traffic.

No. MC 66562 (Sub No. 1515), filed June 26, 1959. Applicant: RAILWAY EXPRESS AGENCY, INCORPORATED, 219 East 42d Street, New York 17, N.Y. Applicant's attorney: William H. Marx, 219 East 42d Street, New York 17, N.Y. Authority sought to operate as a *common*

carrier, by motor vehicle, over regular routes, transporting: *General commodities, including Class A and B explosives,* moving in express service, (1) between Boston, Mass., and Manchester, N.H.: from Boston over City streets to Somerville, Mass., thence over Massachusetts Highway 28 to junction Massachusetts Highway 128, thence over Massachusetts Highway 128 to junction U.S. Highway 3, and thence over U.S. Highway 3 to Manchester, and return over the same route, serving the intermediate point of Nashua, N.H.; and (2) between Boston, Mass., and Dover, N.H.: From Boston over City streets to East Boston, Mass., thence over U.S. Highway 1 to junction U.S. Highway 95, thence over U.S. Highway 95 to junction New Hampshire Highway 16, and thence over New Hampshire Highway 16 to Dover, and return over the same route, serving no intermediate points. Applicant is authorized to conduct operations throughout the United States.

NOTE: Applicant states that as the proposed shipments do not have an immediately prior or an immediately subsequent movement by rail or air, that the restriction requiring an immediately prior or immediately subsequent movement by rail or air, be omitted. Such shipments will, however, move under applicant's through bill of lading or express receipt and under its rates, tariffs and classifications.

No. MC 66562 (Sub No. 1516), filed June 26, 1959. Applicant: RAILWAY EXPRESS AGENCY, INCORPORATED, 219 East 42d Street, New York 17, N.Y. Applicant's attorney: William H. Marx, 219 East 42d Street, New York 17, N.Y. Authority sought to operate as a *common carrier,* by motor vehicle, over regular routes, transporting: *General commodities, including Class A and B explosives,* moving in express service, serving North Grafton, Mass., as an intermediate point in connection with applicant's authorized regular route operations between Providence, R.I., and Worcester, Mass., in its Certificate No. MC 66562 Sub No. 1271, subject to the restrictions set forth therein. Applicant is authorized to conduct operations throughout the United States.

No. MC 66562 (Sub No. 1517), filed June 26, 1959. Applicant: RAILWAY EXPRESS AGENCY, INCORPORATED, 219 East 42d Street, New York 17, N.Y. Applicant's attorney: William H. Marx, 219 East 42d Street, New York 17, N.Y. Authority sought to operate as a *common carrier,* by motor vehicle, over regular routes, transporting: *General commodities, including Class A and B explosives,* moving in express service, between Corry, Pa., and St. Mary's Pa.: from Corry over Pennsylvania Highway 426 to Junction Pennsylvania Highway 77, thence over Pennsylvania Highway 77 to junction Pennsylvania Highway 27, thence over Pennsylvania Highway 27 to junction U.S. Highway 6, thence over U.S. Highway 6 to Kane, thence over unnumbered highway to Wilcox, thence over U.S. Highway 219 to Ridgway, and thence over U.S. Highway 120 to St. Mary's, and return over the same route, serving the intermediate points of Warren, Kane, Wilcox, Johnsonburg and Ridgway, Pa. RESTRICTIONS: The service to be performed by applicant shall be limited to that which is auxiliary to or supplemental of express service. Shipments transported shall be limited to those moving on through bills of lading or express receipts covering, in addition to a motor carrier movement by applicant, an immediately prior or an immediately subsequent movement by rail or air. Applicant is authorized to conduct operations throughout the United States.

No. MC 72442 (Sub. No. 11), filed June 23, 1959. Applicant: AKERS MOTOR LINES, INCORPORATED, P.O. Box 79, New Hope Road, Gastonia, N.C. Applicant's attorney: Edgar Watkins, Munsey Building, Washington 4, D.C. Authority sought to operate as a *common carrier,* by motor vehicle, over regular routes, transporting: *General commodities,* except those of unusual value, Class A and B explosives, tobacco, liquor, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment, over the following alternate routes for operating convenience only, (1) between Greensboro, N.C., and Siler City, N.C., over U.S. Highway 421 serving no intermediate points; (2) between Greensboro, N.C., and Asheboro, N.C., over U.S. Highway 220 serving no intermediate points; (3) between Winston-Salem, N.C., and junction U.S. Highways 220 and 311 near Randleman, N.C., serving no intermediate points except as otherwise authorized in MC 72442 Sub No. 4, and serving the junction of U.S. Highways 220 and 311 for the purpose of joinder only, from Winston-Salem over U.S. Highway 331 to junction U.S. Highway 220, near Randleman, and return over the same route. Applicant is authorized to conduct operations in Massachusetts, New York, Rhode Island, Connecticut, North Carolina, New Jersey, Pennsylvania, Maryland, Virginia, Georgia, South Carolina, and the District of Columbia.

No. MC 94527 (Sub No. 2), filed June 25, 1959. Applicant: A. M. HOUSOUR, Wakarusa, Ind. Applicant's representative: Wm. L. Carney, Middle West Traffic Service, 105 East Jennings Avenue, South Bend, Ind. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Manufactured fertilizer,* from the plant site of Michiana Chemical Co., near Niles, Mich., to points in Adams, Allen, Benton, Blackford, Boone, Carroll, Cass, Clinton, De Kalb, Delaware, Elkhart, Fountain, Fulton, Grant, Hamilton, Hancock, Hendricks, Henry, Howard, Huntington, Jasper, Jay, Koscuisko, La Grange, Lake, La Porte, Madison, Marion, Marshall, Miami, Montgomery, Newton, Noble, Parke, Porter, Pulaski, Putnam, Randolph Saint Joseph, Starke, Steuben, Tippecanoe, Tipton, Vermillion, Wabash, Warren, Wayne, Wells, White, and Whitley Counties, Ind. Applicant is authorized to conduct operations in Illinois and Indiana.

No. MC 102616 (Sub No. 680), filed June 26, 1959. Applicant: COASTAL TANK LINES, INC., 501 Grantley Road, York, Pa. Applicant's attorney: Harold G. Hernly, 1624 Eye Street NW., Washington 6, D.C. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Paint and related products,* in bulk, in tank vehicles, from Pittsburgh, Pa., to Moraine City, Montgomery County, Ohio. Applicant is authorized to conduct operations in Connecticut, Indiana, Massachusetts, New York, Pennsylvania, Tennessee, Wisconsin, Delaware, Kentucky, Michigan, North Carolina, Rhode Island, Virginia, Illinois, Maryland, New Jersey, Ohio, South Carolina, West Virginia, and the District of Columbia.

No. MC 109637 (Sub No. 130), filed June 24, 1959. Applicant: SOUTHERN TANK LINES, INC., 4107 Bells Lane, Louisville 11, Ky. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Liquid dextrine,* in bulk, in tank vehicles, from Indianapolis, Ind., to Memphis, Tenn. Applicant is authorized to conduct operations in Alabama, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, New York, North Carolina, Ohio, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.

NOTE: Common control may be involved.

No. MC 110479 (Sub No. 14), filed June 1, 1959. Applicant: DUDLEY HARPER, doing business as HARPER TRUCK SERVICE, 1230 North Eighth Street, Paducah, Ky. Applicant's attorney: Herbert S. Melton, Jr., Williams Building, Broadway at 17th, Paducah, Ky. Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *General commodities,* except those of unusual value, Class A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment, between Paducah, Ky., on the one hand, and, on the other, Little Cypress, Tri-City, Sedalia, Cuba, New Concord, Tatumville, Lowes, Gage, Blandville, Five Points, Milburn, Bandana, Pottertown, Fancy Farm, Kirbyton, Harvey, and Viola, Ky., restricted against serving Briensburg and Calvert City, Ky., and the sites of the Atomic Energy Commission and the T.V.A. Shawnee Steam plants near Kevil, Ky., or any point within the terminal area or Commercial Zones of any such points, as defined by the Commission. Applicant is authorized to conduct operations in Arkansas, Illinois, Indiana, Kentucky, Missouri, and Tennessee.

NOTE: Applicant states that all the points involved in the application are small, isolated communities which have neither rail nor motor carrier service.

No. MC 113779 (Sub No. 98), filed June 22, 1959. Applicant: YORK INTERSTATE TRUCKING, INC., 9020 La Porte Expressway, P.O. Box 12385, Houston 17, Tex. Applicant's attorney: Dale Woodall, (same address as applicant). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: (1) *Soybean oil,* in bulk, in tank vehicles, from Decatur, Ill., to Houston, Tex.; and (2) *Linseed oil,* in bulk, in tank vehicles, from Valley Park, Mo., to Houston, Tex. Applicant is authorized to conduct operations in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia,

Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

No. MC 119001, filed June 16, 1959. Applicant: PAUL F. MEIERHOFER AND DONALD H. MEIERHOFER, doing business as MEIERHOFER BROS., R.F.D. No. 3, Minonk, Ill. Applicant's attorney: James A. Riely, Minonk, Woodford County, Ill. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Used farm machinery*, from Minonk, Ill., to points in Chippewa, Eau Claire, Clark, Taylor, Rusk, and Dunn Counties, Wis.; (2) *Grain bins and dryers*, from Kansas City, Mo., to Minonk, Ill.; and (3) *Empty containers or other such incidental facilities* (not specified) used in transporting the commodities specified in this application, from the above-specified destination points to the respective origin points.

MOTOR CARRIERS OF PASSENGERS

No. MC 2796 (Sub No. 2), filed June 25, 1959. Applicant: FULLINGTON AUTO BUS COMPANY, INC., 314 Cherry Street, Rear, Clearfield, Pa. Applicant's attorney: W. Albert Ramey, 12 North Second Street, Clearfield, Pa. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Express, newspapers, magazines, periodicals,* and *mail,* in the same vehicle with passengers, no single express package to exceed $100.00 in value, (1) Between Clearfield, Pa., and Altoona, Pa., from Clearfield over U.S. Highway 322 to Philipsburg, Pa., thence over Pennsylvania Highway 53 to Osceola Mills, Pa., thence over Pennsylvania Highway 970 to Sandy Ridge, Pa., thence over Pennsylvania Highway 350 to Bald Eagle, Pa., thence over U.S. Highway 220 to Tyrone, Pa., thence over U.S. Highway 220 to junction Pennsylvania Highway 764, and thence over Pennsylvania Highway 764 to Altoona, and return over the same route, serving all intermediate points except those between Tyrone, Pa., and Altoona. (2) Between the junction of U.S. Highway 322 with Township Road 806 in Woodland, Pa., and junction of Pennsylvania Highway 153 with U.S. Highway 322; from the former junction over Township Road 806 to Bigler, Pa., and thence over Pennsylvania Highway 153 to junction with U.S. Highway 322, and return over the same route, serving all intermediate points. (3) Between the junction of Pennsylvania Highway Legislative Route 17060 and U.S. Highway 322 near Wallaceton, Pa., and junction of Township Road 806 with U.S. Highway 322; from the former junction over Pennsylvania Highway Legislative Route 17060 through Wallaceton to Township Road 806, and thence over Township Road 806 to junction with U.S. Highway 322, and return over the same route, serving all intermediate points. (4) Between the junction of U.S. Highway 322 and Pennsylvania Highway Legislative Route 17049 near West Decatur, Pa., and junction of Pennsylvania Highway Legislative Route 17057 with U.S. Highway 322; from the former junction over Pennsylvania Highway Legislative Route 17049 to junction with Township Road 775, thence over Township Road 755 to junction with Pennsylvania Highway Legislative Route 17057, and thence over Pennsylvania Highway Legislative Route 17057 to junction with U.S. Highway 322, and return over the same route, serving all intermediate points. (5) Between Philipsburg, Pa., and Sandy Ridge, Pa., over Pennsylvania Highway 350, serving all intermediate points. (6) Between Clearfield, Pa., and Karthaus, Pa., over Pennsylvania Highway 879, serving all intermediate points. (7) Between Philipsburg, Pa., and Kylertown, Pa. From Philipsburg over Pennsylvania Highway 53 to Kylertown, and return over the same route and the off-route point of Winburne, Pa., serving all intermediate points. (8) Between Osceola Mills, Pa., and Coalport, Pa. From Osceola Mills over Pennsylvania Highway 53 to Coalport, and return over the same route, serving all intermediate points. (9) Between Houtzdale, Pa., and Madera, Pa., through Ramey, Pa., and Smoke Run, Pa., over Pennsylvania Highway Route 453, serving all intermediate points. (10) Between Clearfield, Pa., and Quehanna, Pa. Beginning at applicant's terminal on Temple Street near Market Street in the Borough of Clearfield, Clearfield County, thence on Temple Street to Market Street, thence on Market Street to Second Street, thence on Second Street to Bridge Street, thence on Bridge Street to River Street, thence on River Street to State Highway Traffic Route 879, thence on State Highway Traffic Route 879 to its intersection with State Highway Legislative Route 17068 in the Village of Karthaus, thence on State Highway Legislative Routes 17068 and 17069 to the Curtiss-Wright Corporation lands, located partly in Clearfield County and partly in Cameron County, thence returning over the same route to the place of beginning, and serving all intermediate points. (11) Between Philipsburg, Pa., and Quehanna, Pa. Beginning at applicant's terminal at the intersection of Fourth and Alder Streets in the Township of Rush, Centre County, thence on Alder Street to Center Street in the Borough of Philipsburg, thence on Center Street to Presqueisle Street, thence on Presqueisle Street to Front Street, thence on Front Street to State Highway Traffic Route 53 at Point Lookout, thence on State Highway Traffic Route 53 to State Highway Legislative Route 17067 in the Village of Kylertown, Clearfield County, thence on State Highway Legislative Route 17067 and State Highway Traffic Route 879 to its intersection with State Highway Legislative Route 17068, in the Village of Karthaus, thence on State Highway Legislative Routes 17068 and 17069 to the Curtiss-Wright Corporation lands, located partly in Clearfield County and partly in Cameron County, thence returning over the same route to the place of beginning, and serving all intermediate points. (12) Between Tyrone, Pa., and State College, Pa. Beginning at the intersection of 10th Street and Pennsylvania Avenue in the Borough of Tyrone, Blair County, thence on 10th Street, State Highway Traffic Route 350 and State Highway Traffic Route 550 to the Village of Warriors Mark, Huntingdon County, thence on State Highway Legislative Route 56 to the Village of Seven Stars, thence on State Highway Traffic Route 45 to the Borough of State College, Centre County, thence on College Avenue, Allen Street, Beaver Avenue, and Atherton Street to College Avenue, and returning over the same route, and serving all intermediate points. Applicant is authorized to conduct operations in Pennsylvania, Maryland, New York, West Virginia, Virginia, New Jersey, and District of Columbia.

No. MC 108219 (Sub No. 4), filed June 23, 1959. Applicant: GREY GOOSE BUS LINES, LIMITED, Union Bus Depot, Winnipeg, Canada. Applicant's attorney: Allan Foss, First National Bank Building, Fargo, N. Dak. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Passengers and their baggage* in the same vehicle with passengers, in round trip charter operations, from points on the United States-Canada Boundary line through ports of entry in North Dakota, Montana and Minnesota to points in the United States and return. Applicant is authorized to conduct operations in Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Wisconsin, and Wyoming.

PETITION

No. MC 30319 and MC 30319 (Sub No. 74) (REPUBLICATION), published issue FEDERAL REGISTER July 1, 1959. Petitioner: SOUTHERN PACIFIC TRANSPORT COMPANY, 810 North San Jacinto Street, P.O. Box 4054, Houston, Tex. Petitioner's attorney: Edwin N. Bell, 1600 Esperson Building, Houston 2, Tex. By petition dated November 14, 1958, in No. MC 30319 and sub numbers thereunder, petitioner sought reopening for "relocation of restrictions" in the lead docket, MC 30319, and various subsequently-numbered authorities. It is the purpose of this publication to reflect the relief sought pertaining to the subject authority which reads: "(1) Substituting Brownsville, Texas, for Corpus Christi, Texas, in that restriction described at page 8 of Consolidated Certificate No. 30319 (and substituting Brownsville, Texas, for Corpus Christi, Texas, in any and all other restrictions appearing in certificates of petitioner) dated February 13, 1956, as follows: 'No shipment shall be transported by said carrier between any of the following points, or through, or to, or from, more than one of said points: Dallas, Austin, Houston, San Antonio, Beaumont, and Corpus Christi, Texas, except that Houston shall not be considered as a keypoint in respect of shipments which have an immediately prior or immediately subsequent movement by rail or water and which are transported from Beaumont or from Corpus Christi.' (2) Removing in its entirety that restriction appearing in Certificate No. MC 30319 (Sub No. 74) dated April 26, 1957, which states: 'The

service to be rendered hereunder shall be subject to existing key point and other restrictions as set forth in Certificate No. MC 30319, issued February 13, 1956; in addition thereto, the service authorized herein is restricted against the transportation of shipments in interstate or foreign commerce which move wholly in over-the-highway motor carrier service between Houston or San Antonio, on the one hand, and, on the other, Edinburg, Tex., and points south of Edinburg located on the line of the Railroad.'" An order of Division one entered May 18, 1959, in MC 30319 and Subs thereunder, including No. MC 30319 (Sub No. 74), provides that the petitions be assigned for oral hearing at a time and place to be hereafter fixed.

NOTE: The purpose of this republication is to add (1) above which was inadvertently omitted from previous publication.

APPLICATIONS UNDER SECTIONS 5 AND 210a(b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carrier of property or passengers under section 5(a) and 210a(b) of the Interstate Commerce Act and certain other procedural matters with respect thereto (49 CFR 1.240).

MOTOR CARRIERS OF PROPERTY

No. MC-F 7203 (WALLACE-COLVILLE AUTO FREIGHT, INC.—PURCHASE—LAURENCE VERHAAG), published in the May 27, 1959, issue of the FEDERAL REGISTER on page 4285. Supplement filed June 25, 1959, to show joinder of ARTHUR R. GINGRICH and ROY J. GINGRICH, both of North 15 Grant Street, Spokane 2, Wash., as the persons in control of vendee.

No. MC-F 7236. Authority sought for purchase by THE SQUAW TRANSIT COMPANY (OKLA. CORP.) 5121 South 49th West Avenue, P.O. Box 9415, Tulsa, Okla., of the operating rights and property of THE SQUAW TRANSIT COMPANY (KANSAS CORP.), 5121 South 49th West Avenue, P.O. Box 9415, Tulsa, Okla., and a portion of the operating rights of GULF SOUTHWESTERN TRANSPORTATION COMPANY, 5812 Brock Street, P.O. Box 18104, Houston, Tex., and for acquisition by COMMODORE STONE and R. W. BEATTY, both of Tulsa, of control of such rights and property through the transaction. Applicants' attorneys: W. T. Brunson, 508 Leonhardt Building, Oklahoma City 2, Okla., and Joe C. Fender, 1421 Melrose Building, Houston, Tex. Operating rights sought to be transferred: *Oilfield commodities,* as *common carrier* over irregular routes, (SQUAW) between points in Oklahoma, between points in Oklahoma, on the one hand, and on the other, points in Colorado, Kansas, and Nebraska, between Coffeyville, Kans., and Bartlesville and Tulsa, Okla., on the one hand, and, on the other, points in Arkansas, Illinois, Indiana, Kentucky, Louisiana, Michigan, Missouri, New Mexico, Ohio, Texas, and West Virginia, and between Houston, Tex., and Parkersburg, W. Va., on the one hand, and, on the other, points in Arkansas, Colorado, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Missouri, Nebraska, New Mexico, Ohio, Oklahoma, Texas, and West Virginia, (GULF) between points in Michigan, on the one hand, and, on the other, points in Illinois, Indiana, and Ohio. Vendee holds no authority from this Commission. However, its controlling stockholders presently own all the capital stock of THE SQUAW TRANSIT COMPANY (KANSAS CORP.). Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7237. Authority sought for purchase by VAN GORP VAN SERVICE, INC., 401 Metropolitan Building, Louisville 2, Ky., of the operating rights and property of WILFRED VAN GORP AND BONNA VAN GORP, doing business as VAN GORP VAN SERVICE, 5705 Southern Parkway, Louisville 14, Ky., and for acquisition by J. VERNON PAXTON and T. W. CUMMINS, JR., both of Louisville, of control of such rights and property through the purchase. Applicants' attorney: Ollie L. Merchant, 712 Louisville Trust Building, Louisville 2, Ky. Operating rights sought to be transferred: *Horses,* other than ordinary horses, and in connection therewith, *personal effects* of attendants, *supplies* and *equipment,* including mascots, used in the care and exhibition of such animals, as a *common carrier* over irregular routes, between points in Michigan, Ohio, Illinois, Kentucky, Louisiana, and Arkansas, between points in Florida, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Texas, between points in Michigan, Ohio, Illinois, Kentucky, Louisiana, and Arkansas, on the one hand, and, on the other, points in Florida, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Texas, and between points in Michigan, Ohio, Illinois, Kentucky, Louisiana, Arkansas, Florida, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, Texas, Oklahoma, Indiana, Kansas, Missouri, and Nebraska, on the one hand, and, on the other, points in Colorado; *livestock,* other than ordinary livestock, and in the same vehicle with livestock, *mascots, personal effects* of attendants, trainers, and exhibitors, and *supplies* and *equipment* used in the care and maintenance of such livestock, between points in Oklahoma, Arkansas, Illinois, Indiana, Kansas, Missouri, Nebraska, and Texas; *race and show horses,* and *mascots, stable supplies and equipment,* and *personal effects of attendants,* in the same vehicle with horses, between points in Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, West Virginia, and the District of Columbia. Vendee holds no authority from this Commission. However, its controlling stockholders are affiliated with CEMENT TRANSPORT, INC., Kosmosdale, Ky., which is authorized to operate as a *contract carrier* in Kentucky, Indiana, Ohio, Illinois, and Tennessee. Application has not been filed for temporary authority under section 210a(b).

No. MC-F 7240. Authority sought for control by OLIVER ANDERSON AND LOYED CAVINS, 312 West Morris Street, Caseyville, Ill., of FRIGIDWAYS, INCORPORATED, 529 East Brooks Road, P.O. Box 2387, Memphis, Tenn. Applicants' attorney: Dale C. Dillon, 1825 Jefferson Place NW., Washington 6, D.C. Operating rights sought to be controlled: *Meats, packing-house products, dairy products, poultry, eggs, rice, dried apples, cream, cheese boxes, empty cans, bananas, sugar, canned goods, cheese, vinegar* (in seasonal operations, during the period from March 1 to September 30, both inclusive, of each year), *glass containers,* in truckloads, *paper* (in truckloads), *paper products* (in truckloads), *fresh fruit, spinach, coal, livestock, flour, feed, grain, meat products, meat byproducts, articles distributed by meatpacking houses, shelled pecans, shelled peanuts, frozen citrus fruit juice, frozen citrus fruit concentrates,* and *frozen foods,* as a *common carrier* over irregular routes, from, to or between points and areas, varying with the commodity transported, in Michigan, Kansas, North Dakota, Nebraska, Missouri, Wisconsin, Minnesota, Iowa, Arkansas, Tennessee, Mississippi, Louisiana, Oklahoma, Illinois, North Carolina, Alabama, Georgia, and Texas. OLIVER ANDERSON and LOYED CAVINS hold no authority from this Commission. However, both jointly control CENTRAL & SOUTHERN TRUCK LINES, INC., Caseyville, Ill., a *contract carrier,* and INDUSTRIAL BUS LINES, INC., Caseyville, Ill., *a common carrier.* OLIVER ANDERSON controls CASEYVILLE BUS LINE, INC., Caseyville, Ill., a common carrier. Application has been filed for temporary authority under section 210a(b).

No. MC-F 7241. Authority sought for purchase by COOPER-JARRETT, INC., 311 West 14th Street, Kansas City, Mo., of the operating rights of LUKENS TRUCKING CORPORATION, 510 North Fourth Street, Philadelphia 23, Pa., and for acquisition by R. E. COOPER, JR., 100 Water Street, Jersey City, N.J., of control of such rights through the purchase. Applicants' attorneys: Irving Klein, 280 Broadway, New York 7, N.Y., and Zink, Shinehouse & Holmes, 1500 Commercial Trust Building, South Penn Square, Philadelphia 2, Pa. Operating rights sought to be transferred: *General commodities,* with certain exceptions excluding household goods and including commodities in bulk, as a *common carrier* over irregular routes, between Philadelphia, Pa., on the one hand, and, on the other, points in New Jersey (not including those north of New Jersey Highway 33), those in Philadelphia County, Pa., and those in New Castle County, Del.; *butter,* and *fresh and canned eggs,* between Philadelphia, Pa., on the one hand, and, on the other, Baltimore, Aberdeen, and Annapolis, Md., and Washington, D.C. Vendee is authorized to operate as a *common carrier* in Missouri, Nebraska, Iowa, Massachusetts, Illinois, Ohio, Rhode Island, New York, Connecticut, Pennsylvania, Kansas, New Jersey, Indiana, Delaware, Colorado, Oklahoma, Texas, Maryland, and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

MOTOR CARRIERS OF PASSENGERS

No. MC–F 3240. Authority sought by petition filed April 24, 1959, to continue until December 31, 1964, arrangement for the pooling of certain services, traffic, and net earnings of CANADA COACH LINES, LIMITED, 18 Wentworth Street North, Hamilton, Ontario, Canada, and NIAGARA SCENIC BUS LINE, INC., 328 Main Street, Niagara Falls, N.Y. Applicants' attorney: S. Harrison Kahn, 1110–1114 Investment Building, Washington 5, D.C. Arrangement sought to be continued, involving sightseeing services, insofar as operations in the United States are concerned, described in 45 M.C.C. 555, decided March 27, 1947, as supplemented by report, 56 M.C.C. 801 (not printed in full) and orders entered December 21, 1949, and September 15, 1954, renewing and extending authority for the arrangement for a period expiring December 31, 1959: Between Niagara Falls, N.Y., and Niagara Falls, Ontario, between other points within an area embracing those points and including scenic points in the Ontario-Niagara Parks System, such as Table Rock, Whirlpool, Whirlpool Rapids, and Brock's Monument in Canada and scenic points in the Niagara Frontier State Park, including Prospect Point, Goat Island, Whirlpool State Park, and Devil's Hole, in New York, using the Rainbow Bridge, the Whirlpool Rapids Bridge, and the Lewiston Bridge, and between Niagara Falls, N.Y., and Toronto, Ontario, Canada (known as Morden's Toronto All-Expense Tour).

No. MC–F 7238. Authority sought for control by JACK MIROW, 1222 Jerome Avenue, Bronx 52, N.Y., and GEORGE H. ROSEN, 291 Broadway, New York 7, N.Y., of SALEM TRANSPORTATION CO., INC., doing business as ATLANTIC CITY TRIPS, 1222 Jerome Avenue, Bronx 52, N.Y., CENTRAL STAGES, INC., 1222 Jerome Avenue, Bronx 52, N.Y., and BELL TRANSPORTATION CO., INC., Wrightstown, N.J. Applicant's attorney: George H. Rosen, 291 Broadway, New York, 7, N.Y. Operating rights sought to be controlled: (SALEM) *Passengers and their baggage,* in special operations, in non-scheduled door-to-door service, limited to the transportation of not more than seven passengers in any one vehicle, not including the driver thereof, and not including children under ten years of age who do not occupy a separate seat or seats, as a *common carrier* over irregular routes, between New York, N.Y., and Philadelphia, Pa., on the one hand, and, on the other, Atlantic City, N.J., between Atlantic City, N.J., on the one hand, and, on the other, Wilmington, Del., Baltimore, Md., and Washington, D.C., and between Fort Dix, McGuire Air Force Base, Wrightstown, N.J., and all other points in the Townships of New Hanover, North Hanover, Chesterfield, Bordentown, Mansfield, Springfield and Pemberton, in Burlington County, N.J., on the one hand, and, on the other, Philadelphia International Airport, Philadelphia, Pa., and La Guardia Airport, Idlewild International Airport, Fort Hamilton and Manhattan Beach Air Force Base, New York, N.Y.; (CENTRAL) *passengers and their baggage,* in special operations, in non-scheduled door-to-door service, limited to the transportation of not more than six passengers in any one vehicle, not including the driver thereof, and not including children under 10 years of age who do not occupy a separate seat or seats, as a *common carrier* over irregular routes, between New York, N.Y., on the one hand, and, on the other, points in the towns of Amenia in Dutchess County, Copake in Columbia County, and Kent in Putnam County, N.Y., and points in the town of Salisbury in Litchfield County, Conn.; (BELL) Operating rights applied for covering the transportation of automobiles, which are owned by persons traveling by air under military orders to points beyond the United States, and which are moving under commercial bills of lading, in driveaway service, as a *common carrier* over irregular routes, from McGuire Air Force Base, N.J., to the New York Port of Embarkation at Brooklyn, N.Y. JACK MIROW and GEORGE H. ROSEN hold no permanent authority from this Commission. However, they are affiliated with SALEM TRANSPORTATION CO., INC., doing business as ATLANTIC CITY TRIPS, CENTRAL STAGES, INC., and BELL TRANSPORTATION CO., INC. Application has not been filed for temporary authority under section 210a(b).

By the Commission.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 59–5628; Filed, July 7, 1959; 8:48 a.m.]

[Notice 149]

MOTOR CARRIER TRANSFER PROCEEDINGS

JULY 2, 1959.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC–FC 62140. By order of June 30, 1959, the Transfer Board approved the transfer to Montezuma Truck Lines, Inc., Durango, Colo., of Certificates Nos. MC 76052, MC 76052 Sub 7, MC 76052 Sub 12, and MC 76052 Sub 16, issued June 11, 1951, August 19, 1955, June 10, 1959, and February 10, 1959, respectively, to John B. Able, doing business as Montezuma Truck Line, Durango, Colo., authorizing the transportation of: Wool, from Cortez, Colo., and points in Colorado within 50 miles of Cortez, to Gallup, N. Mex.; lumber, from McPhee, Colo., to Farmington, Aztec, and Gallup, N. Mex., between points in New Mexico, Colorado, and Arizona, between points in New Mexico, Colorado, and Arizona, on the one hand, and, on the other, points in Kansas, Oklahoma, and Texas, between points in Colorado, Utah, Nebraska, and Wyoming, between points in Arizona, on the one hand, and, on the other, points in Utah; and from Durango, Colo., to Mesa, Tucson, Globe, and Phoenix, Ariz.; cable, from Aztec, N. Mex., to McElmo, Colo.; brick, from Gallup, N. Mex., to Cortez, Colo., and points in Colorado within 50 miles of Cortez; dressed poultry, from Cortez, Colo., to Gallup, N. Mex.; livestock, between Cortez, Colo., and points in Colorado within 50 miles of Cortez, on the one hand, and, on the other, Gallup, N. Mex., and points in New Mexico within 50 miles of Gallup; heavy machinery, boilers, saw mill equipment, and machinery, materials, supplies, and equipment incidental to, or used in the construction, development, operation, and maintenance of facilities for the discovery, development, and production of natural gas and petroleum, between Cortez, Colo., and points in Colorado within 50 miles of Cortez, on the one hand, and, on the other, points in McKinley and San Juan Counties, N. Mex.; and cement, in containers, from Portland, Colo., to points in San Juan County, N. Mex., and points in Navajo, and Apache Counties, Ariz., north of a line extending along U.S. Highway 66 through Winslow, Holbrook, and Chambers, Ariz., except points within five miles of said highway. Montezuma Truck Lines, Inc., was also substituted as applicant in pending applications Nos. MC 76052 Sub 14, and MC 76052 Sub 15TA. Marion F. Jones, 526 Denham Building, Denver 2, Colo., for applicants.

No. MC–FC 62170. By order of June 30, 1959, the Transfer Board approved the transfer to Joliet Delivery Service, Inc., Joliet, Ill., of Permit No. MC 111543, issued January 5, 1952, to Joseph F. Kozlowski, doing business as Joliet Delivery Service, Joliet, Ill., authorizing the transportation of: Such commodities as are dealt in by persons engaged in the wholesale distribution of building materials, exclusive of manufacturers of roofing, siding and insulating materials, from Joliet, Ill., to Baraboo, Campbellsport, Deerfield, Eagle, Lancaster, Lakemills, McFarland, Montello, Mukwonago, Oconomowoc, Portage, Reedsburgh, Stoughton, and West Bend, Wis. Franklin R. Overmyer, 111 West Monroe Street, Chicago 3, Ill., for applicants.

No. MC–FC 62256. By order of June 30, 1959, the Transfer Board aproved the transfer to Frank A. Dalesandro, 128 Quince Street, Vineland, N.J., of Certificate in No. MC 14631, issued September 10, 1940, to Samuel E. Houston, 2514 W. Oxford St., Philadelphia, Pa., authorizing the transportation of: *Household goods,* Philadelphia, Pa., on the one hand, and, on the other, points in New York, New Jersey, Delaware, Maryland, Virginia, and the District of Columbia.

No. MC–FC 62262. By order of June 30, 1959, the Transfer Board approved the transfer to Box Bar Transportation, Inc., Santa Fe, N. Mex., of certificate in

No. MC 115665 Sub 1, issued May 16, 1957, to F. H. Tompkins, Jr., doing business as Box Bar Transportation Company, Midland, Texas, authorizing the transportation of: *Water and hydraulic fracturing fluids,* in bulk, in tank vehicles, between points in a specified territory in Arizona, Colorado, Utah and New Mexico. Donovan N. Hoover, P.O. Box 897, Santa Fe, New Mexico, for applicants.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 59-5629; Filed, July 7, 1959; 8:48 a.m.]

[Rev. S.O. 562, Taylor's I.C.C. Order 102]

ST. JOHNSBURY & LAMOILLE COUNTY RAILROAD

Rerouting or Diversion of Traffic

In the opinion of Charles W. Taylor, Agent, the St. Johnsbury & Lamoille County Railroad, account bridge burned out between Sheldon Junction and St. Johnsbury, Vermont, is unable to transport traffic routed over its line.

It is ordered, That:

(a) Rerouting traffic: The St. Johnsbury & Lamoille County Railroad and its connections, are hereby authorized to divert or reroute such traffic over any available route to expedite the movement, regardless of routing shown on the waybill. The billing covering all such cars rerouted shall carry a reference to this order as authority for the rerouting.

(b) Concurrence of receiving roads to be obtained: The railroad desiring to divert or reroute traffic under this order shall confer with the proper transportation officer of the railroad or railroads to which such traffic is to be diverted or rerouted, and shall receive the concurrence of such other railroads before the rerouting or diversion is ordered.

(c) Notification to shippers: The carriers rerouting cars in accordance with this order shall notify each shipper at the time each car is rerouted or diverted and shall furnish to such shipper the new routing provided under this order.

(d) Inasmuch as the diversion or rerouting of traffic by said Agent is deemed to be due to carrier's disability, the rates applicable to traffic diverted or rerouted by said Agent shall be the rates which were applicable at the time of shipments on the shipments as originally routed.

(e) In executing the directions of the Commission and of such Agent provided for in this order, the common carriers involved shall proceed even though no contracts, agreements, or arrangements now exist between them with reference to the divisions of the rates of transportation applicable to said traffic; divisions shall be, during the time this order remains in force, those voluntarily agreed upon by and between said carriers; or upon failure of the carriers to so agree, said divisions shall be those hereafter fixed by the Commission in accordance with the pertinent authority conferred upon it by the Interstate Commerce Act.

(f) Effective date: This order shall become effective at 9:00 a.m., June 29, 1959.

(g) Expiration date: This order shall expire at 11:59 p.m., July 31, 1959, unless otherwise modified, changed, suspended or annulled.

It is further ordered, That this order shall be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and per diem agreement under the terms of that agreement and by filing it with the Director, Office of the Federal Register.

Issued at Washington, D.C., June 29, 1959.

INTERSTATE COMMERCE COMMISSION,
CHARLES W. TAYLOR, *Agent.*

[F.R. Doc. 59-5630; Filed, July 7, 1959; 8:48 a.m.]

[Notice 2]

APPLICATIONS FOR LOAN GUARANTIES

JULY 2, 1959.

Notice is hereby given of the filing of the following applications under Part V of the Interstate Commerce Act:

Finance Docket No. 20689, filed June 29, 1959, by The New York Central Railroad Company, 466 Lexington Avenue, New York 17, New York, for guaranty by the Interstate Commerce Commission of a loan in amount not exceeding $40,000,000. Applicant's representative: James B. Gray, General Counsel, The New York Central Railroad Company, 466 Lexington Avenue, New York 17, New York. Loan is for the purpose of reimbursing applicant's treasury for expenditures made from its own funds after January 1, 1957, for additions and betterments and other capital improvements.

Finance Docket No. 20691, filed June 30, 1959, by The Atlantic and Danville Railway Company, 115 West Tazewell Street, Norfolk 10, Virginia, for guaranty by the Interstate Commerce Commission of a loan in an amount not exceeding $800,000. Applicant's representatives: L. D. Curtis, President and General Manager, The Atlantic and Danville Railway Company, 115 West Tazewell Street, Norfolk 10, Virginia; Edward R. Baird, 1119 National Bank of Commerce Building, Norfolk 10, Virginia. Loan is for the following purposes: Reimbursement of applicant's treasury for expenditures made from its own funds after January 1, 1957, for additions and betterments and other capital improvements, $300,000; refinancing of unpaid balance not to exceed $240,000 of cost of 200 used freight train cars acquired after January 1, 1957; and for maintenance of property, $160,000.

By the Commission.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 59-5640; Filed, July 7, 1959; 8:50 a.m.]

FOURTH SECTION APPLICATIONS FOR RELIEF

JULY 1, 1959.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 35526: *Commodities between north Pacific coast points and points in Utah.* Filed by Pacific Southcoast Freight Bureau, Agent (No. 240), for interested rail carriers. Rates on general commodities between points in British Columbia, Idaho, Oregon and Washington, on the one hand, and Ogden and other points in Utah on the Union Pacific Railroad, on the other.

Grounds for relief: Abandonment of the Bamberger Railroad Company under Finance Docket 20202, and adoption of portions of this line by the Union Pacific Railroad Company under Finance Docket 20367.

Tariff: Supplement 427 to Pacific Southcoast Freight Bureau tariff I.C.C. 1360.

FSA No. 35527: *Gravel-Dickason Pit, Ind., to Illinois Points.* Filed by Illinois Freight Association, Agent (No. 64), for interested rail carriers. Rates on screened gravel, carloads from Dickason Pit, Ind., to Holland, Moccasin, and Altamont, Ill.

Grounds for relief: Motor truck competition from gravel pit to jobsites.

Tariff: Supplement 118 to Chicago & Eastern Illinois Railroad Company tariff I.C.C. 144.

By the Commission.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 59-5579; Filed, July 6, 1959; 8:45 a.m.]

CUMULATIVE CODIFICATION GUIDE—JULY

A numerical list of the parts of the Code of Federal Regulations affected by documents published to date during July. Proposed rules, as opposed to final actions, are identified as such.